



George Annual Report 2011/12

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



George Municipality strives to be the best medium sized city in the country through using all available resources sustainably to the benefit of the community in a growing and thriving city. As a local government we will always be evaluated as to our ability to meet the growing needs of our residents through rendering quality services, promoting economic development, fiscal discipline, ensuring that we govern effectively and facilitating the growth of our city.

This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan for the 2011/2012 financial year together with the financial statement and Auditor General's Report.

The report is an account of how we have taken up the challenge to grow George, to effectively engage our community and develop partnerships with our business sector, academia and civil society. It attests to the collective efforts of the political and administrative arms of the municipality to progressively address the ever increasing expectations of our people and also reflects the political stability and decisive leadership within the organisation.


The clean audit report received from the Office of the Auditor General is an accolade that testifies to the efforts and advances that this administration has made in the current councils first year of office.

It is critical that sustainable services are delivered to our people, good governance prevails, a safe and green environment is established and maintained, and growth is facilitated by ensuring that our community participates in the affairs of our city.

We are well aware that economic and institutional development is not an event, but a process. We also acknowledge that there are certain challenges such as poverty alleviation and unemployment that will remain with us beyond the term of our office. Yet we are up for the challenge and will continue to tackle this mammoth task head on as we are obligated to make a difference in the lives of the people that we serve.

I remain committed to working together with my Mayoral Committee, the full Council and the administration in realising our vision and making a difference in the lives of all who live in George. We treasure the stability within our municipality and are committed in working together to grow George, building on the present and addressing the imbalances of the past.

We have and must always uphold the principle of putting our community first, as it is and always will be a privilege to serve the community of George.



C STANDERS

Component B: Executive Summary

1.1 MUNICIPAL MANAGER'S OVERVIEW



The year under review kicked off on 1 July 2011, two months after the local government elections held on 18 May 2011.

One of the first activities in the year was a Mayoral Legotla hosted in July 2011, aimed at ensuring close co-operation and a strong working relationship between the administrative and political leadership. This resulted in a 100-day action plan, with key issues being prioritised for actions by various Directorates. It focused on better service delivery through the alignment of call centre functions and contact centers, the implementation of the Economic Revitalisation Policy and its related

investment incentives, increased focus on implementation of EPWP and job creation, ensuring quality execution of all housing projects, and so the list continues.

Our goals were clear, to relentlessly deliver municipal services to the best of our abilities and capacity. The worldwide dire economic situation also impacted on George Municipality which meant that some adaptations had to be implemented to ensure the sustainable delivery of services.

One of the main challenges faced during the year was the balancing of the budget, with a slowdown in revenue collection due to increasing tariffs, as well as the burden of debt weighing heavily on the municipality as a whole. This challenge was professionally approached, and admirably managed, with strict financial management, increased oversight in terms of expenditure and a very cautious approach to further capital commitments. The year saw the first steps taken to rectify a potentially precarious long term position, and place the municipality on a path of financial sustainability. This was achieved without compromising the high levels of basic service delivery.

Irrespective of the challenging economic circumstances, we still managed to implement a few multi million rand projects in George as well as the District Management Area (DMA) which became part of the municipality on 1 July 2011. Apart from the upliftment of communities, investment in infrastructure is essential to maintain growth and development. Several of the projects which were undertaken or which were in planning stage are as follows:

- Upgrading of Thembaletu Bulk Water Supply Pipeline – R24m
- Thembaletu Bulk Sewer Phase II – R13m
- Upgrading of Informal Settlements Program (UISP) Civil Services – R59m
- Upgrading of the Outeniqua Waste Water Treatment Works – R7m

- Upgrading of Cradock Street in the CBD – R7m and
- Installation of CCTV Cameras – R9m

The George Municipality forms part of the pilot public transport network implementation programme planned for secondary cities in South Africa.

The municipality was once again for the fourth successive year awarded Blue Drop Status for excellent water quality. Green Drop Status for its waste water treatment works was awarded in 2011.

The highlight of the year without a doubt is the awarding of a clean audit report by the Auditor General for this financial year. This is a major milestone, and a complete turnaround from the situation two or three years ago. A special word of thanks and congratulations must go to all staff and the relevant Councillors involved in ensuring excellent corporate and financial governance.

The George Municipality presents this Annual Report with pride, and is committed to further continue high standards of service delivery to the benefit of our residents and communities in 2012/2013.



TREVOR BOTHA
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the George Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2011/12 Annual Report reflects on the performance of the George Municipality for the period 1 July 2011 to 30 June 2012. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 VISION AND MISSION

The George Municipality committed itself to the vision and mission of:

Vision:

“To build on the status of George as the pace setting destination in the region and utilising all available resources to the benefit of the community in our growing and thriving city”

Values:

In striving to achieve the above vision, the following values will apply:

- **Courtesy and People First**

Citizens should be treated with courtesy and consideration.

- **Consultation**

Citizens should be consulted about the service levels and quality when possible.

- **Service Excellence**

Citizens must be made aware of what to expect in terms of level and quality of service.

- **Access**

Citizens should have equal access to the services to which they are entitled.

- **Information**

Citizens must receive full and accurate information about their services.

- **Openness and Transparency**

Citizens should be informed about government departments, operations, budgets and management structures.

- **Redress**

Citizens are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.

● **Value for money**

Public services should be provided economically and efficiently.

1.2.2 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

About 2,000 years ago the San people moved south toward the present Western Cape Province. The area where George is situated is known today as Outeniqua Land. The word "Outeniqua" is derived from a Khoi word which means: "man laden with (or carrying bags of) honey". It is a place not only richly bestowed with natural beauty, but also well known for unparalleled growth and development.

The French traveller and writer, Francois le Valiant described the area as follows during his visit in the 17th century:

"Bloemrijke velden en de Schoonste weiden zetteden dit heerlijk landschap nog meerder luister bij. Ik was waarlijk opgetogen van Verrukking..."

The second drostdy to be established, in 1811, after the British occupation of the Cape, George was named after King George III of England. In 1837 George gained municipal status and by 1907 was linked by rail to Cape Town

Now a day's George, the City, forms the administrative hub of the world-renowned Garden Route area. George is nestled below the magnificent Outeniqua Mountains. The wide expanse of forests, the blend of mountains, rivers and rich farmlands in close proximity to the sweeping coastline of the Indian Ocean and its glorious beaches make George a unique Southern Cape Town. George enjoys a mild climate, with a small difference between the minimum and maximum temperatures. The average annual rainfall of 850 mm is spread throughout the year. An excellent system of highways and national roads link George to Cape Town, 420 km away, and Port Elizabeth - a mere 320 km to the east. The area is relatively crime free compared to other towns of similar size in the Country and has a well educated work force.

The municipal area is 1,068km² in extent and is situated approximately half way between Cape Town and Port Elizabeth. The municipal area includes the following:

- The City of George;
- The villages of Wilderness and Herold's Bay;
- Various coastal resorts such as Kleinkrantz, Victoria Bay and the wilderness National Park;
- Rural areas such as the area around Rondevlei, (east of Wilderness), Geelhoutboom, Herold, Hansmoeskraal and

Waboomskraal.

Wards

The Municipality is currently structured into the following **25** Wards:

WARD	AREAS
1	Blanco
2	Denneoord, Fernridge, Bo-dorp, Camphersdrift
3	Heather Park, Heatherlands
4	Wilderness, Kleinkrantz, Touwsrante, Hoekwil, Glenwood
5	Le Vallia, Loerie Park, Tweerivieren, Panorama
6	Rosemoor, Protea Park, Urbanville, Convent Gardens
7	Lawaikamp, Maraiskamp
8	Parkdene, Ballotsview
9	Thembaletu
10	Thembaletu
11	Thembaletu
12	Thembaletu
13	Thembaletu
14	Erf 325, Pacaltsdorp, Andersonville, Seaview, Europe, Noordstraat
15	Thembaletu
16	New Dawn Park
17	Conville
18	Loerie Park, Tweerivieren, George Park
19	George – Central, George – South, Dolmelsdrift, King George
20	Borchards
21	Thembaletu
22	Landelike Gebiede, Diepkloof, Sinksabrug, Waboomskraal, Herold, Geelhoutboom, Bo-Dorp, Camphersdrift
23	Delville Park, Groenewyde Park, Herolds Bay, Hoogekraal, Buffelsfontein, Oubaai, Rooirivier, Bos & Dal
24	Haarlem, Avontuur, Ongelegen
25	Uniondale, Esseljag, Rooirivier

Table 1: *Municipal Wards*

Below is a map of the Municipality:



Figure 1: George Municipal area



Figure 2: Locality map

B) POPULATION

The population growth of the Eden District has been very consistent from 2001 to 2010. The average population growth rate since 2001 until 2010 is 1.6%. Currently Eden's population is growing slower than the Provincial Population (1.7%) but faster than the national average of 1.1% (Eden LED Strategy, 2011). George as the regional hub is estimated to have shown a higher growth rate, estimated 2.1% from 2007 onwards – mainly due to high levels of in-migration. From 2001 the area's population as share of the provincial population increased from 2.64% to 2.77% in 2010.

The table below indicates the total population within the municipal area:

Description	2001	2007
George	135 409	136 542
DMA	14 594	11 479

Table 2: Demographic information of the municipal area – Total population

Source: Stats SA 2007 Community Survey

Stats SA presents a marginal decrease in the population from 2001 to 2007. This is questionable since the growth in business, number of new residential, business and industrial developments, increase in backyard dwellers and informal areas suggest not only a steady increase in the residing population but also a migration of outsiders to George. Also, the same statistics indicate Number of Households for George in 2001 at **35 520** which translate to an average household size of **3.8**. Nothing suggests that the household size decreased significantly over this period, however, Stats SA number of households for 2007 increase to **42 793**. Considering the historic average size of households this gives a total calculated population of **162 613** for 2007, a more realistic figure than **136 542**.

The DMA area showed a significant decline in numbers from 2001 to 2007, it is estimated that the population for the area has remained relatively stable in the period thereafter. For the purpose of this profile, the total population within the municipal area is calculated as **188 000** in 2011. More accurate data will only be obtained once the 2011 National Census data is available in late 2012.

The table below shows the population projections for George municipality:

Description	2001	2007	2008	2009	2010	2011
George	135409	162613	166028	169514	173074	176709
DMA	14594	11479	11479	11479	11479	11479
Estimated Population	150003	174092	177507	180993	184553	188 188

Table 3: Population projections for George municipality

Source: George Municipality calculations

c) HOUSEHOLDS

The table below gives an overview of common statistics of George Municipality according the official census done by Stats SA. **It does not include Ward 24 and 25. See point 2.3 for detailed info regarding Ward 24 and 25.**

George Municipality (Ward 1 – 23)	1996	2001	2007
Demography			
Number of Households	25 427	35 520	42 793
Population (Also see paragraph 2.4: Population Growth)	108 183	135 409	136 542
Refuse Removal			
% of households without weekly refuse removal	3.4%	2.98%	1.29%
No. of households without weekly refuse removals	867	1 059	2148
Toilet Facilities			
% of households with Flush toilets	-	79.9%	84.5%
% of households with Bucket system	-	2.6%	3.1%
Electricity Supply			
% of households without electricity	16.7%	12.01%	0
No. of households without electricity (for lightning)	4 255	4 269	Only illegal structures
Housing			
% of population on waiting list (Source: GM)	-	-	6.7%
No. of total population on waiting list (Source GM)	-	-	11303
% of Households in house or brick structure on separate stand	-	71.7%	64.8%
Water			
% of Households with access to piped water:			
• Inside the dwelling	-	59.8%	63.9%
• Inside the yard	-	23.0%	24.5%
• From access point outside the yard		11.6%	10.0%

Table 4: Households per service

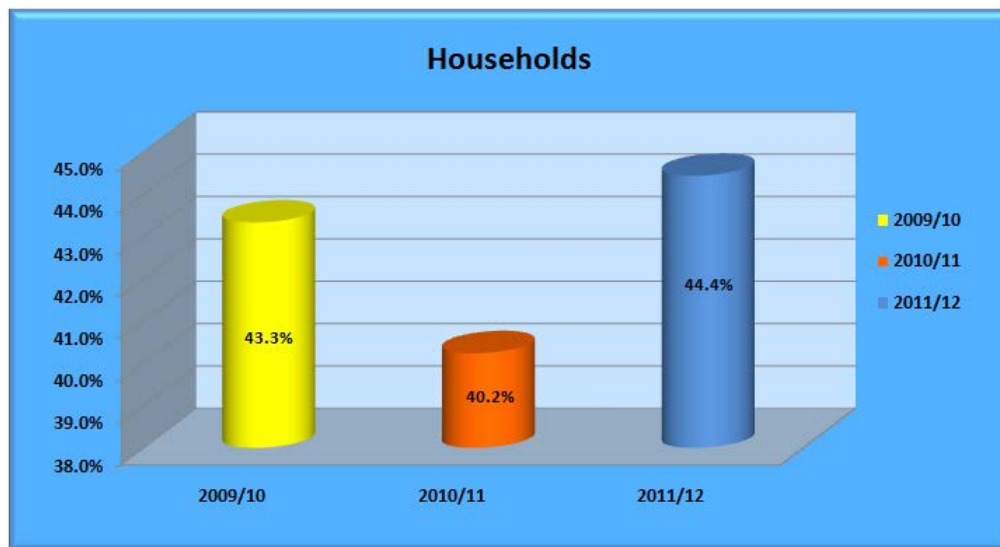
The total number of households within the municipal area **increased** from **35 814** households in the 2010/11 financial year to a total of **36 818** households in the 2011/12 financial year.

Households	2009/10	2010/11	2011/12
Number of households in municipal area	33 184	35 814	36 818
Number of indigent households in municipal area	14 376	14 410	16 357
Percentage of indigent households in municipal area	43.3%	40.2%	44.4%

Table 5: Total number of households

Source: Eden Region IDP (2007/08), Stats SA 2001 Census

The graph below shows that the total number of indigent households increased from **14 410** in the 2010/11 to **16 357** in the 2011/12 financial year.



Graph 1: Total % indigent households within the municipal area

D) KEY ECONOMIC ACTIVITIES

The table below indicates the growth rate per economic sector:

Growth rates per sector (2000 to 2005)	%
Agriculture	2.3
Mining	-0.8
Manufacturing	-0.1
Electricity & Water	3.2
Construction	5.0
Wholesale & retail trade, catering and accommodation	7.1
Transport & communication	3.8
Finance and business services	7.6
Community, social and other personal services	2.0
General government services	2.4

Table 6: Key Economic Activities

From this table it is clear that the fastest growing sectors of the economy between 2000 and 2005 were the following:

- Finance and business services: 7.6%;
- Trade, catering and accommodation: 7.1%;
- Construction: 5.0%

Mining and manufacturing showed negative growth while the other sectors increased between 2% and 3.8%.

1.2.3 MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

Challenges	Description and corrective measures
Funding for infrastructure	Upgrading and Maintenance thereof
Personnel Capacity	Technical Personnel - Funding of expansion of capacity
Uniondale WWTW	New WWTW being constructed and will become operational during 2012/2013 – staff will have to be employed to operate the plant and management structures implemented.
Pump stations and other facilities involving electrical/mechanical maintenance:	At present the intention is to issue tenders at approximately R4 million per year for three years. Practical suggestion is that GM employs a small team (with mechanical, electrical and fitter and turner experience) with necessary expertise that can maintain these facilities (alternative to look at shared services approach with e.g. Kenyans and Mosel Bay Municipalities). View exists that internal staffing may provide cheaper and more effective, reliable service that outside contractors.
Ageing infrastructure	The various infrastructure networks are ageing and require increasing levels of maintenance, upgrades and replacement expenditure is needed for water, sewerage, roads, storm water system, etc.
GIPTN:	Planning for the operation of the transport network will require expenditure to be incurred in due course.
Staffing	Skilled members of staff are required in various positions, including process controllers, supervisors, and qualified engineers.
Water leaks:	With the tightening of indigent relief policies, it is becoming increasingly evident that there are many alleged water leaks with municipal accounts that are simply written off. Many of the queries on accounts often relate to water matters that take long to resolve.
Sewerage	Sewerage/WWTW treatment plants: Management of sludge and disposal thereof requires attention and resolution at both the George plants and at Kleinkrantz. The upgrading of the plants are currently in various stages of planning and will commence soon
Housing bulk infrastructure needs	The George municipality does not have the funding to provide the bulk infrastructure required to meet housing needs. The largest population growth is in the poor sector who cannot contribute financially to the provision of sustainable services to accommodate the housing needs
Areas for relocation/transit camps – limited capacity at Syferfontein	One transit area has been established. Additional areas are being investigated.
Inadequate funding allocation for housing provision	Once the municipality is accredited as housing provider it will receive funds directly from the National Government.

Challenges	Description and corrective measures
Staff shortage – dedicated projects	Amend organogram to provide for staff for dedicated projects (e.g. GAP Housing Manager)
Rural Housing	Develop a rural development strategy with National Government. Inter-Governmental discussion forums to be established – Housing policies to be reviewed.
Fire services	Decentralisation of services closer to communities.
Municipal law enforcement	Assisting and relieving of the homeless people social economic circumstances.
Traffic services: law enforcement	Filling critical posts, bribery & corruption, micro structure, filling traffic chief post, infrastructure. decentralisation of services, vehicles & equipment, training (refresher courses) ,political interference, capacity building,
Traffic services: Legal processes	Dept of Justice, Dept of Public Prosecution, execution of warrants, monitoring of summonses and warrants (finalisation), corruption & bribery, service providers
Traffic services: learner & driving licensing section (DLTC) and vehicle registration (MVR) 1) Vacant positions (leads to shortage of manpower, stress of work overload transferred to fewer/ remaining personnel, absenteeism, which in turn lead to poor service delivery and long waiting periods, low staff moral and job dissatisfaction.) 2) Wellness of employees: We must remember that the quality of the service provided to the public ultimately depends on the wellbeing of the employees. 2) Bribery. 3) Corruption. 4) Budgetary constraints (lead to lack of, or inadequate resources and infrastructure, Health and safety issues, and inspectoral recommendations that cannot be addressed fully.)	Fill vacant positions and train existing staff (formal and informal) Workshops to explain bribery and corruption, responsibilities of employees in these regards, and consequences of unacceptable behaviour. Create an organisational culture to openly discuss related issues. Create a working environment where employees can feel free to come to the employer for assistance and counselling (whether internal, or referred), to improve their personal and organisational wellbeing. Motivate staff. Create in employees a sense of ownership and responsibility for the success of the organisation through participation and related methods. Proper budgeting, and allow knowledgeable persons who understand the day-to-day operations and requirements of each section to participate or at least give input.

Table 7: Municipal Challenges

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Cleanest Town Competition (2010/11)	George obtained second place in the competition and received an amount of R60 000.
Greenest Town competition (2011/12)	George obtained first place in the competition and received an amount of R60 000
Blue Drop (7 th in SA)	George achieved 98.12% in the 2012 assessment placing it 7 th overall in SA. It is the 4 th consecutive year that George is under the top 10 in the Country.

Table 8: Basic Services Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Infrastructure	Alternative for full landfill site	Apply for a waste licence to establish a composting facility for green waste and a recycling facility for builder's rubble.
Water Licences	Water Resources	George applied in 2008 for the licences for the raising of the Garden Route Dam Spillway and the Malgas Pump Station but has still not received the approvals for the licences.

Table 9: *Basic Services Delivery Challenges*

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Revenue enhancement	Revenue enhancement plan drafted and in effect
Collection of debt	In-house establishment of the debt collection and credit control unit
Debtors payment ratio	The debtors payment ratio average above 90%
Creditors	All creditors are paid within 30 days
Salaries	All staff were paid salaries each month
Audit outcome	Received a Clean Audit
External funding	No additional loans were taken up

Table 10: Financial Viability Highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
<p>The growing inability of municipalities to manage the financial resources including cash has lead even the Auditor –General to comment adversely on their capacity to be a “going concern”</p> <p>Availability of cash and other resources are fundamental to the functioning of the organisation in delivering services.</p> <p>Efficient execution of the portfolio of financial management is vital to leading the municipality towards a viable operation that will continue to generate sufficient funds to not only ensure the continued functioning of the organisation but also the sustained delivery of services which is the reason for the existence of the municipality.</p>	<ul style="list-style-type: none"> Prepare and execute the framework in the Cash Flow statement to identify periods of cash shortfalls and take corrective actions as required Manage revenue and expenditure, keeping each in balance with the other Institute regular authentic reporting of operations and their financial effect on the operations Sep up suitable structures for the management of cash, revenue and expenditure, collection of debtors and the making of commitments. Implement strict budget management

Table 11: Financial Viability Challenges

1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA & Indicator	2010/11	2011/12
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	3.36	3.44
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	14%	13%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	27%	23%

Table 12: National KPI's for financial viability and management

1.4.4 FINANCIAL OVERVIEW

Details	Original budget	Adjustment Budget	Actual
	R'000	R'000	R'000
Income			
Grants(Operating + Capital)	198 608	233 752	203 529
Taxes, Levies and tariffs	745 477	716 922	656 792
Other	44 401	63 771	72 658
Sub Total	988 486	1 014 446	932 980
Less Expenditure	(965 196)	(994 091)	(939 314)
Net surplus/(deficit)	23 290	20 355	(6 332)

Table 13: Financial Overview

1.4.5 OPERATING RATIOS

Detail	Expected norm	Actual	% Variance
%			
Employee Cost	30	28	2
Repairs & Maintenance	20	6	14
Finance Charges & Depreciation	10	17	7

Table 14: Operating ratios

Employee cost is 2 % lower than the norm of 30% which represents a positive outcome. Repairs and maintenance are also 14% below the norm of 20% which indicates that expenditure on repairs and maintenance would have to be increased in future budgets to properly maintain Council's assets. Finance charges and depreciation are 7% higher than the norm of 10%, this can mainly be attributed to the higher interest charges on outstanding loans.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Appointments	Appointment of the Municipal Manager.
Appointments	Appointment of Designated groups (more than 80%)
TASK Job Evaluation	Evaluation and Auditing of filled benchmarked positions (90%)
Training	Commencement of the Municipal Finance Management Programme in terms of the Minimum Competency Level Regulation
External and Internal Bursaries	Officials rewarded with Internal Bursaries and matriculants with Financial Assistance for Tertiary Studies.

Table 15: *Municipal Transformation and Organisational Development Highlights*

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Budget Constraints for training	Subsidised learnerships
Budget Constraints for filling of vacancies	Restructuring and prioritisation of critical posts which could include multi-skilling. Clustering of functions.
Budget Constraints to fill scarce skills positions or to pay a scarce skills allowance	Provision to be made on the budget for a scarce skills allowance to attract and retain individuals in scarce skills positions.
Outdated policies	Review of policies

Table 16: *Municipal Transformation and Organisational Development Challenges*

1.5.3 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

31 Employees were identified to obtain the abovementioned qualification and prescribed competencies. The first group of officials finished the course on 7 December 2012. The second group will finish the course on 22 November 2013 respectively. The table below provides details of the financial competency development progress as required by the regulation:

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	0	-	0
Chief financial officer	0	0	-	0
Senior managers	5	0	-	0
Any other financial officials	26	0	-	0
Supply Chain Management Officials				
Heads of supply chain management units	1	0	-	0
Supply chain management senior managers		0	-	
SUB TOTAL	33	0	-	0
Other Officials for the purpose of acting and succession planning				
Other Officials	17	0	-	0
TOTAL	50	0	-	0

Table 17: *Financial Competency Development: Progress Report*

1.6 AUDITOR GENERAL REPORT

George Municipality received an unqualified, without matters, audit report by the Auditor-General for 2011/12. This is regarded as a "Clean Audit Report"!

Consider where the George Municipality moved from since the 2009/2010 audit opinion.

The municipality received an "**Adverse Opinion**" for the 2009/10 financial year.

The significance in this is an improvement from prior year opinions which were qualified, adverse and unqualified with matters for the 2008/09, 2009/10 and 2010/2011 financial years respectively.

An opinion is said to be unqualified when the Auditor concludes that the financial statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the financial statements.

This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with GRAP which in other words mean that the municipality's financial condition, position and operations are fairly represented in the financial statements

It is the best type of report an auditee may receive from an external auditor when it is unqualified with no matters raised or a "clean" report.

An Unqualified opinion indicates the following:

- (1) The Financial Statements have been prepared using GRAP which have been consistently applied;
- (2) The Financial Statements comply with relevant statutory requirements and regulations;
- (3) There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable;
- (4) Any changes in the accounting practices or in the method of their application and the effects thereof have been properly determined and disclosed in the Financial Statements.

Consider where the George Municipality moved since the 2009/2010 audit opinion.

The municipality received an "**Adverse Opinion**" for the 2008/09 financial year.

1.6.1 AUDITED OUTCOMES

Year	2007/08	2008/09	2009/10	2010/11	2011/12
Status	Qualified	Qualified	Adverse	Unqualified – with matters	Unqualified – Clean audit

Table 18: Audit Outcomes

CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

A) NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2009/10	2010/11	2011/12
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	86.66	91	82

Table 19: National KPIs - Good Governance and Public Participation Performance

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

A) COUNCIL

Below is a table that categorised the councillors within their specific political parties and wards:

Name of councillor	Capacity	Political Party	Ward representing or proportional
Charles Standers	Executive Mayor	DA	WARD 8
Daniel Maritz	Executive Deputy Mayor	DA	WARD 17
Mercia Draghoender	Speaker	DA	WARD 20
Philip De Swardt	Chief Whip	DA	WARD 22
Jurie Bezuidenhout	Mayoral committee member	DA	PR
Bevin Fortuin	Mayoral committee member	DA	WARD 1
Wilbert Harris	Mayoral committee member	COPE	PR
Henry Jones	Mayoral committee member	DA	WARD 16
Iona Kritzingier	Mayoral committee member	DA	WARD 19
Jacoba Muller	Mayoral committee member	DA	WARD 6
Gideon Stander	Mayoral committee member	DA	WARD 23
Isaya Stemela	Mayoral committee member	DA	PR
Leon Van Wyk	Mayoral committee member	DA	WARD 4
Charlie Bob	Councillor	ANC	PR
Theunis Botha	Councillor	DA	PR
Belrina Cornelius	Councillor	DA	PR
Erasmus De Villiers	Councillor	DA	WARD 3
Nomamse Dlephu	Councillor	DA	PR
Johan Du Toit	Councillor	ACDP	PR
Lionel Esau	Councillor	DA	WARD 5
Teresa Fortuin	Councillor	ANC	PR
Virgil Gericke	Councillor	PBI	PR

Name of councillor	Capacity	Political Party	Ward representing or proportional
Mzwandile Gingcana	Councillor	ANC	WARD 10
Fanele Guga	Councillor	ANC	WARD 15
Freddie Harris	Councillor	ICOSA	PR
Leslie Hayward	Councillor	Rate Payers Association	PR
Nontsikelo Kamte	Councillor	ANC	WARD 11
Marchell Kleynhans	Councillor	DA	WARD 25
NV Kom	Councillor	ANC	PR
PB Komani	Councillor	ANC	PR
Phomulang Lehlo	Councillor	ANC	PR
Gert Macclune	Councillor	DA	PR
Sydney Mekana	Councillor	DA	PR
Christiaan Neethling	Councillor	DA	WARD 2
Gert Niehaus	Councillor	DA	WARD 18
Franklin Ntozini	Councillor	ANC	WARD 7
Cynthia Papah	Councillor	DA	WARD 14
Bazil Petrus	Alderman	ANC	PR
Ludwe Qupe	Councillor	DA	PR
Busisiwe Salmani	Councillor	ANC	WARD 13
Guilford Sihoyiya	Councillor	ANC	PR
Glenys Sixolo	Councillor	ANC	WARD 12
Tobeka Teyisi	Councillor	ANC	WARD 9
Julia Thanda	Councillor	ANC	WARD 21
Pieter Van Der Hoven	Councillor	ANC	PR
Aletta Van Zyl	Councillor	DA	PR
Alex Wildeman	Councillor	ANC	WARD 24
Charlie Williams	Alderman	ANC	PR
Wilena Witbooi	Councillor	ANC	PR

Table 20: Council 2011/12

Below is a table which indicates the Council meetings attendance for the 2011/12 financial year:

Meeting dates	Number of items (resolutions) submitted	Attendance of Council Meetings	Apologies for non-attendance
22 June 2011 (Special)	3	48 councillors attended 97.96%	1 councillor absent 2.04%
20 July 2011	19	49 councillors attended 100%	0 councillors absent 0%
05 August 2011 (Special)	4	48 councillors attended 97.96%	1 councillor absent 2.04%
24 August 2011	19	43 councillors attended 87.76%	6 councillors absent 12.24%
14 September 2011 (Special)	2	43 councillors attended 87.76%	6 councillors absent 12.24%
21 September 2011	5	45 councillors attended 91.84%	4 councillors absent 8.16%
26 October 2011	14	48 councillors attended 97.96%	1 councillor absent 2.04%
08 November 2011 (Special)	1	46 councillors attended 93.88%	3 councillors absent 6.12%
23 November 2011	16	47 councillors attended 95.92%	2 councillors absent 4.08%
23 January 2012 (Special)	1	41 councillors attended 83.67%	8 councillors absent 16.33%
25 January 2012	16	48 councillors attended 97.96%	1 councillor absent 2.04%
08 February 2012 (Special)	2	42 councillors attended 85.71%	7 councillor absent 14.29%
15 February 2012 (Special)	1	46 councillors attended 93.88%	3 councillors absent 6.12%
29 February 2012	12	46 councillors attended 93.88%	3 councillors absent 6.12%
29 March 2012	10	49 councillors attended 100%	0 councillors absent 0%
04 May 2012	7	46 councillors attended 93.88%	3 councillors absent 6.12%
23 May 2012 (Special)	4	48 councillors attended 97.96%	1 councillor absent 2.04%
29 May 2012 (Special)	3	47 councillors attended 95.92%	2 councillors absent 4.08%
22 June 2012	9	48 councillors attended 97.96%	1 councillor absent 2.04%

Meeting dates	Number of items (resolutions) submitted	Attendance of Council Meetings	Apologies for non-attendance
25 July 2012	8	46 councillors attended 93.88%	3 councillors absent 6.12%

Table 21: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Alderman Charles Standers**, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2011 to 30 June 2012:

Name of member	Capacity
Charles Standers	Executive Mayor
Daniel Maritz	Executive Deputy Mayor And Portfolio Councillor For Human Resources
Jurie Bezuidenhout	Portfolio Councillor For Civil Engineering Services
Bevin Fortuin	Portfolio Councillor For Environmental Affairs And Sport
Wilbert Harris	Portfolio Councillor For Electro-Technical Services
Henry Jones	Portfolio Councillor For Housing
Iona Kritzinger	Portfolio Councillor For Community Safety
Jacoba Muller	Portfolio Councillor For Social Services
Gideon Stander	Portfolio Councillor For Planning
Isaya Stemela	Portfolio Councillor For Corporate Services
Leon Van Wyk	Portfolio Councillor For Finance

Table 22: Executive Mayor-in-Committee 2011/12

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to Council for the 2011/12 financial year:

Meeting date	Number of items submitted (resolved)
19 August 2011	102
9 September 2011	1
30 September 2011 (Special)	1
19 October 2011	22
20 October 2011 (Special)	3
1 November 2011	3
16 November 2011	11
21 November 2011 (Special)	1
18 January 2012	13
24 January 2012 (Special)	0
22 February 2012	6
7 March 2012	11
23 March 2012	5
11 April 2012	2
16 May 2012	18
6 June 2012	2
19 June 2012 (Special)	3

Table 23: Committee Meetings

(Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.)

c) PORTFOLIO COMMITTEES

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee, it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The portfolio committees for the 2011/12 Mayoral term and their Chairpersons are as follow:

a) Human Resources Portfolio Committee

Name of member	Capacity
D Maritz	Chairperson
E De Villiers	Deputy Chairperson
J Du Toit	Committee Member
L Esau	Committee Member
T Fortuin	Committee Member
F Guga	Committee Member
JJ Muller	Committee Member
G Niehaus	Committee Member
L Qupe	Committee Member
I Stemela	Committee Member

Table 24: Human Resources Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
2 August 2011	0
15 September 2011	3
31 October 2011	1
10 November 2011	3
14 February 2012	8
13 March 2012	4
17 April 2012	4
23 May 2012	1
12 June 2012	1

Table 25: Human Resources Portfolio Committee Meetings

b) Civil Engineering Services Portfolio Committee:

Name of member	Capacity
S Bezuidenhout	Chairperson
H Jones	Deputy Chairperson
B Cornelius	Committee Member
N Dlephu	Committee Member
F Harris	Committee Member
W Harris	Committee Member
M Kleynhans	Committee Member
D Maritz	Committee Member
G Sihoyiya	Committee Member
W Witbooi	Committee Member

Table 26: Civil Engineering Services Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
04 August 2011	1
08 September 2011	3
11 October 2011	1
15 November 2011	2
22 February 2012	2
14 March 2012	1

Table 27: Civil Engineering Services Portfolio Committee Meetings

c) Environmental Affairs and Sport Portfolio Committee:

Name of member	Capacity
B Fortuin	Chairperson
W Harris	Deputy Chairperson
T Botha	Committee Member
N Dlephu	Committee Member
G Macclune	Committee Member
J Thanda	Committee Member
L Van Wyk	Committee Member
A Van Zyl	Committee Member
A Wildeman	Committee Member

Table 28: Environmental Affairs and Sport Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
03 August 2011	23
14 September 2011	4
12 October 2011	3
09 November 2011	8
21 February 2012	9
14 March 2012	2
18 April 2012	8
22 May 2012	6
12 June 2012	3
19 July 2012	5

Table 29: *Environmental Affairs and Sport Portfolio Committee Meetings*

d) Electro-technical Services Portfolio Committee:

Name of member	Capacity
W Harris	Chairperson
S Bezuidenhout	Deputy chairperson
T Botha	Committee member
N Dlephu	Committee member
M Gingcana	Committee member
H Jones	Committee member
N Kamte	Committee member
M Kleynhans	Committee member
L Qupe	Committee member

Table 30: *Electro-technical Services Portfolio Committee 2011/12*

Meeting dates	Number of reports submitted (resolved)
04 August 2011	5
27 October 2011	4
22 February 2012	4
14 March 2012	4
12 June 2012	3

Table 31: *Electro-technical Services Portfolio Committee Meetings*

e) Housing Portfolio Committee:

Name of member	Capacity
H Jones	Chairperson
G Stander	Deputy chairperson
C Bob	Committee member
P De Swardt	Committee member
F Harris	Committee member
S Mekana	Committee member
JJ Muller	Committee member
C Papah	Committee member
B Petrus	Committee member

Table 32: *Housing Portfolio Committee 2011/12*

Meeting dates	Number of reports submitted (resolved)
02 August 2011	13
06 September 2011	8
12 October 2011	4
01 November 2011	5
28 November 2011 (Special)	3
23 February 2012	10
15 March 2012	9
19 April 2012	6
17 May 2012	8
21 June 2012	4
17 July 2012	5

Table 33: *Housing Portfolio Committee Meetings*

f) Community Safety Portfolio Committee:

Name of member	Capacity
I Kritzinger	Chairperson
G Niehaus	Deputy chairperson
S Bezuidenhout	Committee member
B Fortuin	Committee member
S Mekana	Committee member
C Neethling	Committee member
C Papah	Committee member
B Salmani	Committee member
P Van Der Hoven	Committee member

Table 34: Community Safety Portfolio Committee for 2011/12

Meeting dates	Number of reports
4 August 2011	1
27 October 2011	4
21 February 2012	3
31 May 2012	3
21 June 2012	2

Table 35: Community Safety Portfolio Committee Meetings

g) Social Services Portfolio Committee:

Name of member	Capacity
Jj Muller	Chairperson
C Papah	Deputy Chairperson
B Cornelius	Committee Member
J Du Toit	Committee Member
M Kleynhans	Committee Member
P Leholo	Committee Member
G Macclune	Committee Member
G Sixolo	Committee Member
I Stemela	Committee Member
L Van Wyk	Committee Member

Table 36: Social Services Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
10 August 2011	25
22 September 2011	6
08 November 2011	11
14 February 2012	14
17 April 2012	6
15 May 2012	1
17 July 2012	9

Table 37: Social Services Portfolio Committee Meetings

h) Planning Portfolio Committee:

Name of member	Capacity
G Stander	Chairperson
D Maritz	Deputy Chairperson
C Bob	Committee Member
T Botha	Committee Member
B Cornelius	Committee Member
F Harris	Committee Member
W Harris	Committee Member
H Jones	Committee Member
N Kom	Committee Member
JJ Muller	Committee Member

Table 38: Planning Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
02 August 2011	23
20 September 2011	14
12 October 2011	15
02 November 2011	13
28 November 2011 (Special)	19
16 February 2012	14
12 April 2012	21
24 May 2012	20
14 June 2012	2
26 July 2012	15

Table 39: Planning Portfolio Committee Meetings

i) Corporate Services Portfolio Committee:

Name of member	Capacity
I Stemela	Chairperson
JJ Muller	Deputy Chairperson
T Botha	Committee Member
E De Villiers	Committee Member
M Draghoender	Committee Member
L Hayward	Committee Member
D Maritz	Committee Member
F Ntozini	Committee Member
T Teyisi	Committee Member
A Van Zyl	Committee Member

Table 40: Corporate Services Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
03 August 2011	3
11 October 2011	1
05 December 2011	5
14 February 2012	3
17 April 2012	9
15 May 2012	3
14 June 2012	1

Table 41: Corporate Services Portfolio Committee Meetings

j) Finance Portfolio Committee:

Name of member	Capacity
L Van Wyk	Chairperson
P De Swardt	Deputy Chairperson
B Cornelius	Committee Member
M Draghoender	Committee Member
W Harris	Committee Member
I Kritzinger	Committee Member
D Maritz	Committee Member
P Van Der Hoven	Committee Member
C Williams	Committee Member

Table 42: Finance Portfolio Committee 2011/12

Meeting dates	Number of reports submitted (resolved)
4 August 2011	19
15 September 2011	7
27 October 2011	4
1 December 2011	9
21 February 2012	12
17 April 2012	6
12 June 2012	8

Table 43: Finance Portfolio Committee Meetings

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr T Botha	Municipal Manager	Yes
Mr A Smith	Director: Environmental Affairs	Yes
Mr H Basson	Director: Civil Engineering Services	Yes
Mr S Erasmus	Director: Planning And Housing	Yes
Mr K Jordaan	Acting Director: Financial Services	Yes
Mr K Grunewald	Director: Electro-technical Services	Yes
Mr W Hendricks	Acting Director: Corporate & Social Services	No / Acting
Mr B Nelson	Acting Director: Community Safety Services	No / Acting

Table 44: Administrative Governance Structure

COMPONENT B: PUBLIC ACCOUNTABILITY

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

2.3 WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

Ward 1: Blanco

Name of representative	Capacity representing	Date of meetings held during the year
B Fortuin	Councillor	22 August 2011 22 September 2011 10 October 2011 20 October 2011 9 November 2011 6 February 2012 16&17 February 2012 20 March 2012 16 April 2012 20 April 2012 13&14 June 2012
S Crowley	Education	
N Wolmarans	Business	
C Laws	Health & Welfare	
D Keteldas	Community Safety	
M Miller	Tourism	
M Davids	Sport	
N E Carelse	Culture	
N Delport-Ragadu	Senior Citizens	
W Jansen	Religious Groupings	
A Kaffoen	Environment	

Table 45: Ward 1 Committee Meetings

Ward 2: Denneoord, Fernridge, Bo-dorp, and Camphersdrift

Name of representative	Capacity representing	Date of meetings held during the year
C Neethling	Councillor	22 August 2011 22 September 2011 20 October 2011 9 November 2011 16&17 February 2012 29 February 2012 20 March 2012 20 April 2012 14 May 2012 23 May 2012 13&14 June 2012
C D Ralston	Senior Citizens	
A Lambrechts	Health & Welfare	
H J v Rensburg	Youth	
B Uys	Religious Groupings	
W Barkhuizen	Culture	

Table 46: Ward 2 Committee Meetings

Ward 3: Heather Park, Heatherlands

Name of representative	Capacity representing	Date of meetings held during the year
EP De Villiers	Councillor	22 August 2011
E H Stroebel	Health & Welfare	22 September 2011
G Harris	Business	17 October 2011
E de Finn	Tourism	20 October 2011
Jan-Erik Swart	Culture	9 November 2011
A Cook	Environment	13 February 2012
F A van der Merwe	Home Owners Ass	16&17 February 2012
E Dreyer	Religious Groupings	20 March 2012
		20 April 2012
		14 May 2012
		13&14 June 2012

Table 47: Ward 3 Committee Meetings

Ward 4: Wilderness, Kleinkrantz, Touwsrante, Hoekwil, and Glenwood

Name of representative	Capacity representing	Date of meetings held during the year
LD van Wyk	Councillor	22 August 2011
R Mintoer	Education & Religious	22 September 2011
W Rhode	Sport	10 October 2011
G Sell	Ratepayers Associations	20 October 2011
W J Smit	Senior Citizens	9 November 2011
C Buys	Youth	6 February 2012
Q Simons	Safety & Security	16&17 February 2012
J Pratt	Tourism	20 March 2012
S Branford	Conservancies	16 April 2012
C Appels	Touwsrante Community	20 April 2012
		13&14 June 2012

Table 48: Ward 4 Committee Meetings

Ward 5: Le Vallia, Loerie Park, Tweerivieren, and Panorama

Name of representative	Capacity representing	Date of meetings held during the year
LBC Esau	Councillor	22 August 2011
C Linford	Culture	22 September 2011
A H Jacobs	Education	13 October 2011
H Pienaar	Environment	20 October 2011
S Smart	Religious Groupings	9 November 2011
R L van Wyk	Sport	9 February 2012
		16&17 February 2012

Name of representative	Capacity representing	Date of meetings held during the year
A v S Botha	Tourism	20 March 2012
L Marais	Youth	20 April 2012
P D Louw	Senior Citizens	17 May 2012
M P Abrahams	Health	13&14 June 2012

Table 49: Ward 5 Committee Meetings

Ward 6: Rosemoor, Protea Park, Urbanville, and Convent Gardens

Name of representative	Capacity representing	Date of meetings held during the year
JJ Muller	Councillor	22 August 2011
M Hessie	Business	22 September 2011
M Boekas	Community Safety	10 October 2011
J Pretorius	Disabled	20 October 2011
Irene Pietersen	Women	9 November 2011
D Jantjies	Welfare & Health	15 February 2012
H Ingo	Religious Groupings	16&17 February 2012
Marius Korsten	CBO	20 March 2012
LDS Lass	Education	16 April 2012
G Olyn	Housing	20 April 2012
F Buis	Environment	13&14 June 2012

Table 50: Ward 6 Committee Meetings

Ward 7: Lawaaikamp, Maraiskamp

Name of representative	Capacity representing	Date of meetings held during the year
FZ Ntozini	Councillor	22 August 2011
E Moshabi	Health & Welfare	22 September 2011
S Madumane	Youth	18 October 2011
K A Khumalo	Business	20 October 2011
A Gcinilizwe	Sport	9 November 2011
S Rooiland	Religious Groupings	14 February 2012
TM Dyasi	Disabled	16&17 February 2012
		20 March 2012
		20 April 2012
		29 May 2012
		13&14 June 2012

Table 51: Ward 7 Committee Meetings

Ward 8: Parkdene, Ballotsview

Name of representative	Capacity representing	Date of meetings held during the year
C Standers	Councillor	22 August 2011
H Swartbooi	Community Safety	22 September 2011
V Hart	Culture	13 October 2011
M Adams	Education	20 October 2011
J Pieterse	Health & Welfare	9 November 2011
Past A Amas	Religious Groupings	9 February 2012
E Meyer	Senior Citizens	16&17 February 2012
S Laws-Klaasen	Women	20 March 2012
Abigail Innes	Youth	20 April 2012
		17 May 2012
		13&14 June 2012

Table 52: Ward 8 Committee Meetings

Ward 9: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
T Teyisi	Councillor	22 August 2011
S September	Community Safety	22 September 2011
A Hans	Women	11 October 2011
K Nikani	Youth	20 October 2011
M Mahambehla	Environmental	9 November 2011
K Lose	Disabled	16&17 February 2012
P Kwetana		22 February 2012
V Dyanti	Business	20 March 2012
T Boyana	Co-opted	20 April 2012
S E Lumkwana	Co-opted	16 May 2012
		13&14 June 2012

Table 53: Ward 9 Committee Meetings

Ward 10: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
MD Gingcana	Councillor	22 August 2011
B Henge	Education	22 September 2011
S Msutu	Women	20 October 2011
V Dywili	Youth	25 October 2011
N Bontiya	Religious	9 November 2011
W Mnuku	Business	9 February 2012
Noma-Afrika Madela	Culture	16&17 February 2012
N Ncamile	Agriculture	20 March 2012
N J Mlanga	Senior Citizens	20 April 2012
N Grifis	Health & Welfare	22 May 2012
		13&14 June 2012

Table 54: Ward 10 Committee Meetings

Ward 11: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
NF Kamte	Councillor	22 August 2011
A Noko	Community Safety	22 September 2011
C Z Sitchetshe	Business	10 October 2011
S Ndzimba	Senior Citizens	20 October 2011
E Joka	CBO	9 November 2011
T Jantjies	Sport	6 February 2012
S C Mathys	Youth	16&17 February 2012
P Tsoloane	Women	20 March 2012
W Mfikiseli	Agriculture	16 April 2012
		20 April 2012
		13&14 June 2012

Table 55: Table 27: Ward 11 Committee Meetings

Ward 12: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
GN Sixolo	Councillor	22 August 2011
K Ndwenkuku	CBO	22 September 2011
B Plata	Youth	17 October 2011
E Gunuza	Business	20 October 2011
M Nkomazana	Agriculture	9 November 2011
N Nojaholo	Community Safety	16&17 February 2012
Xoliseka Gunuza	Culture	23 February 2012
Elvin Pretorius	Sport	20 March 2012
		20 April 2012
		21 May 2012
		13&14 June 2012

Table 56: Ward 12 Committee Meetings

Ward 13: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
B Salmani	Councillor	20 October 2011
S Mazibuko	Religious Groupings	24 October 2011
KK Siko	Youth	9 November 2011
I Lucas	Sport	16&17 February 2012
C Lucas	Women	20 March 2012
S Mbune	Business	20 April 2012
		14 May 2012
		13&14 June 2012

Table 57: Ward 13 Committee Meetings

Ward 14: Erf 325, Pacaltsdorp, Andersonville, Seaview, Europe, and Noordstraat

Name of representative	Capacity representing	Date of meetings held during the year
CM Papah	Councillor	22 August 2011
M Brink	Disabilities	22 September 2011
C Witbooi	Education	20 October 2011
B Klassen	Youth	26 October 2011
A Meyer	CBO	9 November 2011
J April	Community Safety	6 February 2012
LSG Stefhanus	Health & Welfare	16&17 February 2012
J Klassen	Agriculture &	20 March 2012
S Herman	Senior Citizens	16 April 2012
C Arika	Women	20 April 2012
		13&14 June 2012

Table 58: Ward 14 Committee Meetings

Ward 15: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
FS Guga	Councillor	22 August 2011
Z Damster	CBO	22 September 2011
Vuyani Gwejela	Agricultural	19 October 2011
Mtandeni Hlalempini	Sport	20 October 2011
MR Dyantyi	Education	9 November 2011
P Gege	Women	15 February 2012
M Beba	Community Safety	16&17 February 2012
		20 March 2012
		23 May 2012
		13&14 June 2012

Table 59: Ward 15 Committee Meetings

Ward 16: New Dawn Park

Name of representative	Capacity representing	Date of meetings held during the year
HJ Jones	Councillor	22 August 2011
A Heynse	Health & Welfare	22 September 2011
S Louw	Religious Groupings	12 October 2011
J Rondganger	Sport	20 October 2011
A Sheldon	Youth	9 November 2011
J Fortuin	Employment Sector	8 February 2012
R Patterson	Women	16&17 February 2012
M Rivers	Community Safety	20 March 2012
A van Wyk	CBO	20 April 2012
		21 May 2012
		13&14 June 2012

Table 60: Ward 16 Committee Meetings

Ward 17: Conville

Name of representative	Capacity representing	Date of meetings held during the year
D Maritz	Councillor	22 August 2011
M Adams	Health & Welfare	22 September 2011
J Ambraal	Religious Groupings	17 October 2011
BA Schoeman	Senior Citizens	20 October 2011
IJ Seconds	Community Safety	9 November 2011
P Foster	Women	8 February 2012
M Greeff	Culture	16&17 February 2012
L Jansen	Environment	20 March 2012
H Clark	CBO	20 April 2012
R Goeieman	Youth	14 May 2012
		13&14 June 2012

Table 61: Ward 17 Committee Meetings

Ward 18: Loerie Park, Tweerivieren, and George Park

Name of representative	Capacity representing	Date of meetings held during the year
GC Niehaus	Councillor	22 August 2011 22 September 2011 13 October 2011 20 October 2011 9 November 2011 13 February 2012 16&17 February 2012 20 March 2012 20 April 2012 21 May 2012 13&14 June 2012
Adri Joubert	Business	
Sarel Volkwyn	Community Safety	
Barry van Ginkel	Environment	
Carel Neuhoff	Religious Groupings	
J Knoetze (Bossie)	Sport	
Stan F van Wyk	Tourism	
Melinda Niehaus	Women	
SP Apollis (Pieter)	Youth	
P Nagel	Youth	
A Storm	Senior Citizens	

Table 62: Ward 18 Committee Meetings

Ward 19: George – Central, George – South, Dolmelsdrift, King George

Name of representative	Capacity representing	Date of meetings held during the year
IC Kritzinger	Councillor	22 August 2011 22 September 2011 20 October 2011 9 November 2011 16&17 February 2012 20 February 2012 20 March 2012 20 April 2012 17 May 2012 13&14 June 2012
J Jacobs	Health	
R Schubert	Environment	
BS Redelinghuys	Religious	
P Nel	Youth	

Table 63: Ward 19 Committee Meetings

Ward 20: Borchards

Name of representative	Capacity representing	Date of meetings held during the year
M Draghoender	Councillor	22 August 2011 22 September 2011 12 October 2011 20 October 2011 9 November 2011 8 February 2012 16&17 February 2012 20 March 2012 20 April 2012 21 May 2012 13&14 June 2012
J Windwaai	Youth	
J Carolus	Women	
J October	Disabled	
R Fisher	Sport	
M Mabukane	Health & Welfare	
A Windwaai	Environment	
J Muller	Education	
J Yoko	Community Safety	
R Windwaai	Business	
N Cupido	Culture	

Table 64: Ward 20 Committee Meetings

Ward 21: Thembaletu

Name of representative	Capacity representing	Date of meetings held during the year
JS Thanda	Councillor	22 August 2011 22 September 2011 20 October 2011 9 November 2011 16&17 February 2012 20 February 2012 20 March 2012 20 April 2012 15 May 2012 13&14 June 2012
B Baliti	Health & Welfare	
B R Tom	Community Safety	
D Dingiswayo	Religious Groupings	
J Booysen	Business	
S Tyokolo	Sport	
S Nkata	Environment	
A Maneer	Women	
N Mpumlo	Arts & Culture	
NG Mbanjana	CBO	

Table 65: Ward 21 Committee Meetings

Ward 22: Landelike Gebiede, Diepkloof, Sinksabrug, Waboomskraal, Herold, Geelhoutboom, Bo-Dorp, and Camphersdrift

Name of representative	Capacity representing	Date of meetings held during the year
PH de Swardt	Councillor	22 August 2011 22 September 2011 19 October 2011 20 October 2011 9 November 2011 15 February 2012 16&17 February 2012 20 March 2012 20 April 2012 16 May 2012 13&14 June 2012
A Barnard	Agriculture	
D Windsor	Community Safety	
H Claasen	Education	
A Roetz	Environment	
J Windvogel	Health & Welfare	
Ds JS v/d Walt	Religious Groupings	
M Andrag	Sport	
N Reimann	Tourism	
D Bruiners	Women	
M L Botha	Senior Citizens	

Table 66: Ward 22 Committee Meetings

Ward 23: Delville Park, Groenewyde Park, Herolds Bay, Hoogekraal, Buffelsfontein, Oubaai, Rooirivier, Bos & Dal

Name of representative	Capacity representing	Date of meetings held during the year
GJ Stander	Councillor	22 August 2011 22 September 2011 19 October 2011 20 October 2011 9 November 2011 16&17 February 2012 22 February 2012 20 March 2012 20 April 2012 23 May 2012 13&14 June 2012
E Scheepers	Business	
H Williams	CBO	
V Horn	Religious Groupings	
SK Hauptfleisch	Health & Welfare	
D Pijoos	Women	
HA du Plessis	Ratepayers	
S Gericke	Agriculture	
P du Plessis	Tourism	
CA Steyn	Environmental Affairs	
A Skippers	Youth	

Table 67: Ward 23 Committee Meetings

Ward 24: Haarlem, Avontuur, Ongelegen

Name of representative	Capacity representing	Date of meetings held during the year
AM Wildeman	Councillor	22 August 2011 22 September 2011 20 October 2011 9 November 2011 16&17 February 2012 20 February 2012 20 March 2012 20 April 2012 15 May 2012 13&14 June 2012
D Hodgson	Commercial farmers	
J Arendse	New farmers	
D van Zyl	Business	
M Brinkhuis	Community Safety	
C Philander	Education	
J Visagie	Health Committee	
MJ du Preez	Sport & Culture	
M Antonie	Women &	
E Edwards	Environment & Tourism	
CR Fortuin	Religious Groupings	

Table 68: Ward 24 Committee Meetings

Ward 25: Uniondale, Esseljag, Rooirivier

Name of representative	Capacity representing	Date of meetings held during the year
MEF Kleynhans	Councillor	22 August 2011 22 September 2011 17 October 2011 20 October 2011 9 November 2011 13 February 2012 16&17 February 2012 20 March 2012 20 April 2012 16 May 2012 13&14 June 2012
W A Decelly	Business	
A Tarentaal	CBO	
E Jansen	Education	
D Meiring	Religious Groupings	
J Esau	Sport	
J de Kock	Health	
S Human	Welfare	
L Howell	Agriculture	
J Fry	Youth	
J D Loff	Safety	

Table 69: Ward 25 Committee Meetings

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.4 RISK MANAGEMENT

Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.

The internal audit activity was tasked to oversee the risk management process in terms of the following as prescribed by NT Public Sector Risk Management Framework:

"(5) In case where the Internal Auditor assumes the role of the Chief Risk Officer, his/her risk management responsibilities include:

(a) assisting Management to develop the risk management policy, strategy and implementation plan;

(b) co-ordinating risk management activities;

(c) facilitating identification and assessment of risks;

(d) recommending risk responses to Management; and

(e) developing and disseminating risk reports.

(6) When assisting Management in establishing or improving risk management processes, Internal Auditing must refrain from assuming management responsibilities for risk management."

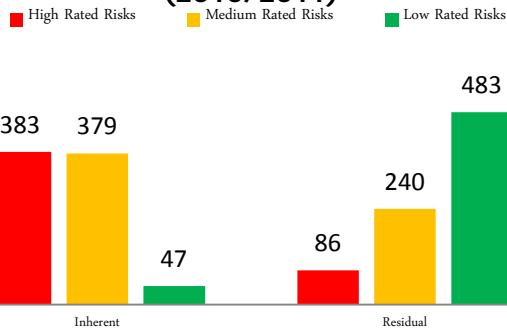
Although the Internal Audit Activity facilitated the above, management took ownership of risks and the mitigation thereof.

George Municipality has made significant progress with risk assessment and risk management processes over the past few years. Operational risk assessments were performed on a continuous basis during the 2011/2012 financial year, by the departments, as quarterly risk reporting on, amongst others, additional risks, deleted risks, changes to risk data, risks that materialised and risks that should be escalated for intervention was implemented. The departments also discussed the risks on a continuous basis at monthly departmental meetings.

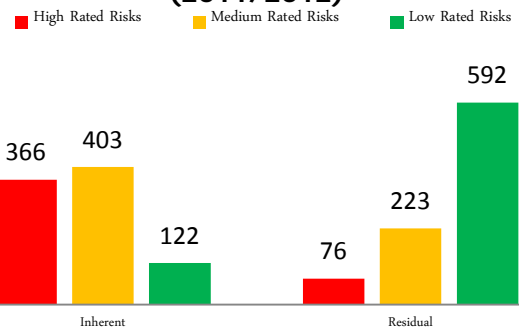
The annual risk assessment, compared to the previous risk assessment, reflected the following change in risk profile:

2010/2011					2011/2012				
Number of inherent and residual rated risks									
Risk Categories	Inherent	Inherent %	Residual	Residual %	Risk Categories	Inherent	Inherent %	Residual	Residual %
High Rated	383	47%	86	10%	High Rated	366	41%	76	9%
Medium Rated	379	47%	240	30%	Medium Rated	403	45%	223	25%
Low Rated	47	6%	483	60%	Low Rated	122	14%	592	66%
Total	809	100%	809	100%	Total	891	100%	891	100%

Number of inherent and residual risks (2010/2011)

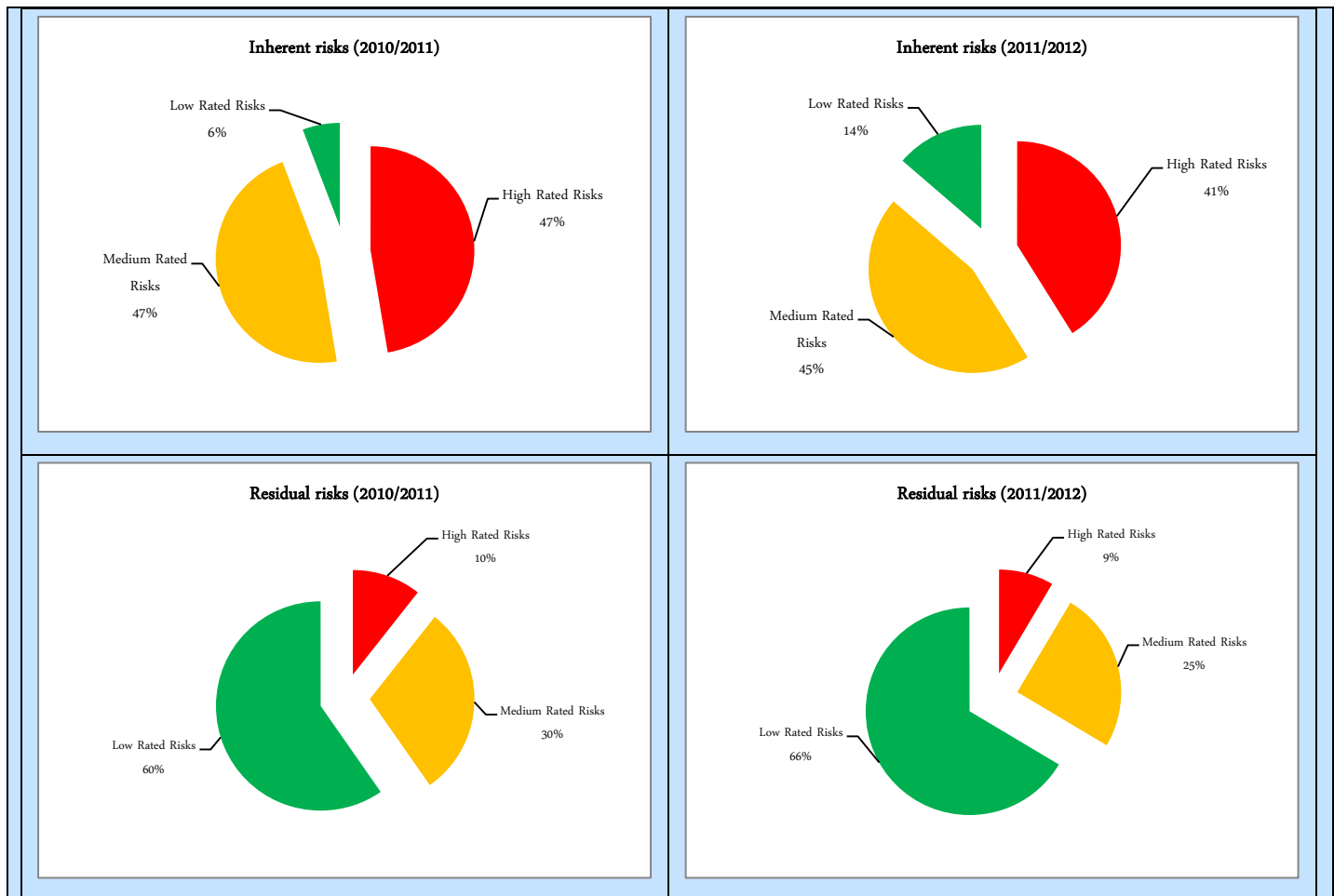


Number of inherent and residual risks (2011/2012)



The total number of risks increased by 10% from 809 (2010/2011) to 891 (Quarter 4 of 2011/2012).

Percentage of inherent and residual rated risks



The 2011/2012 Top 10 Institutional Risks were reviewed and updated through a collaborative process. The updated list of Top 10 institutional risks are as follows:

Ranking	Top Institutional Risks
1	Financial Viability
2	Inadequate standards of service delivery
3	Dissatisfaction of the community
4	Maintaining infrastructure
5	Deficiencies in staff skills and capacity
6	Poor levels of compliance
7	Weaknesses in governance and accountability
8	Increasing indigents and poverty

9	Failure and non-integration of IT systems	
10	Inefficient investment in Capital Expenditure	

2.5 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-fraud & anti-corruption policy	Yes	2010/2011 Reviewed in May 2012. To be approved and implemented in 2012/2013
Anti-fraud & anti- corruption strategy and implementation plan	No	Reviewed in May 2012. To be approved and implemented in 2012/2013

Table 70: Strategies: Anti-corruption and Anti-fraud

The structural strategies according to the Anti-Fraud and Anti-Corruption Strategy and implementation plan include the establishment of an Anti-Fraud and Anti-Corruption Committee that will oversee the approach of the Municipality approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. Such a Committee has not been established.

The following are some of the strategies identified in the Fraud Prevention Strategy with an indication of the progress in this regard:

B) IMPLEMENTATION OF STRATEGIES

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Prevention – First line of defence. A proactive, broad-based approach through which the municipality implements mechanisms and interventions that are meant to protect it from fraud and corruption.	<ul style="list-style-type: none"> Systems and controls not properly implemented. Inherent weaknesses can be exploited. 	<ul style="list-style-type: none"> Awareness of managers, staff and community of the risks of fraud and corruption. Level of training. Level of communication.
Detection – Second line of defence. Systematic and structured manner through which the municipality will search and encourage reporting of incidences.	<ul style="list-style-type: none"> Searching of incidences lacking. Reporting of incidences not 	Design of controls to ensure there are no irregularities in terms of supply chain, expenditure and compliance with procedures.
Investigation – Formal process through which an allegation is subject to In-depth investigation in order for the municipality to make and execute decisions.	<ul style="list-style-type: none"> All allegations not investigated. Outcomes of the investigations not communicated. 	<ul style="list-style-type: none"> Referral of matters to be based on a zero-tolerance approach. Prosecution to be linked to investigation when necessary.
Resolution – Process through which the outcomes of the investigation process is utilised to make and implement decisions aimed at resolving the matter.	<ul style="list-style-type: none"> Disciplinary actions not taken. Civil recovery not made. Referral to other agencies not made. 	<ul style="list-style-type: none"> Communication of outcomes to all key stakeholders. From the municipality's perspective, the desired outcome where fraud and corruption has indeed been perpetrated is disciplinary action, civil recovery and where applicable criminal investigation.

Table 71: Implementation of the Anti-corruption and Anti-fraud Strategies

2.6 AUDIT COMMITTEE/S

The Municipality Audit Committee, appointed in terms of Section 166 of the MFMA, has also been appointed as the Performance Audit Committee.

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

- performance evaluation; and
- any other issues referred to it by the municipality

A) FUNCTIONS OF THE AUDIT COMMITTEE

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 which is further supplemented by the Local Government Municipal and Performance Management Regulation as well as the approved Audit Committee charter:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To carry out such investigations into the financial affairs of the municipality as the council may request.
- perform such other functions as may be prescribed.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- Review the plans of the Internal Audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
J Stoffels	Chairperson	29 August 2011
B Bam	Member	6 October 2011
G Harris	Member	22 November 2011
A Dippenaar	Member	27 January 2012
		23 March 2012
		1 June 2012

Table 72: *Members of the Audit Committee*

C) MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Formal reports are submitted to Council on recommendations for implementation to address control weaknesses, the Audit Committee regularly follow up with Internal Audit and Management on state of corrective action implemented. Furthermore, the Audit Committee also have sight of various internal and external reports and provided comments where necessary.

The following recommendations by the committee were, inter alia, approved by the Council.

Date of Committee	Committee recommendations during 2011/12
29 August 2011	No report to Council.
6 October 2011	<ol style="list-style-type: none"> Critical vacant posts are filled as a matter of urgency. The Audit Committee Charter should be reconsidered, specifically with reference to the King III guidance. The Audit Committee membership and term of appointment should be reconsidered. The interpretation of sections 165 and 166 of the MFMA should be reconsidered. The Audit Committee should continue to engage with the Executive Mayor and Finance Portfolio Councillor to facilitate improved communication between the Audit Committee and the Council. Internal Audit findings and recommendations around the following are prioritised and addressed as a matter of urgency: <ol style="list-style-type: none"> Financial internal controls Risk Management Performance Management Council should take note of the outcomes of the risk assessment and risk management process going forward. All role players should understand and embrace their responsibilities with regard to risk management going forward. The AG's findings around IT matters be addressed and an IT Manager should be appointed as a matter of urgency. A register of litigation by and against George Municipality should be presented as a standing agenda item at each Audit Committee meeting.
22 November 2011	<ol style="list-style-type: none"> The long term financial plan should address the effects of migration of people to the Southern Cape in more detail. The AG's findings and recommendations should be addressed as a matter of urgency. Performance management and measurement should be extended to include all levels of staff. Internal Audit findings and recommendations should be prioritised and addressed as a

Date of Committee	Committee recommendations during 2011/12
	<p>matter of urgency.</p> <p>5. Council should take note of the outcomes of the risk assessment and risk management process going forward.</p>
27 January 2012	Internal Audit has suggested additional follow up procedures to be performed, and which have now been included in the approved Internal Audit plan. It is critical that management assist and make staff members accountable for implementing Internal Audit recommendations
23 March 2012	<p>1. Municipal reporting in terms of Sections 52, 71 and 72 of the MFMA The in-house debt collection function should be put into full operation as soon as possible.</p> <p>2. Risk Management The Top 10 institutional risks of the Municipality should be reassessed and updated as necessary. Council should consider and approve the “risk appetite” and “risk tolerance” as required in terms of the Risk Management Policy.</p> <p>3. Confidential matters A formal process should be established to share confidential matters with the Audit Committee in order to assist the Audit Committee in discharging their responsibilities.</p>
23 March 2012 - risks are reported at all meetings	<p>1. Review of Draft Budget 2012/2013 and municipal reporting in terms of Sections 52, 71 and 72 of the MFMA Particular care should also be taken with regard to long term loans and the municipality's ability to sustainably service debt.</p> <p>2. Risk Management Departments should continue to monitor their risks and to report quarterly on changes in their risk profiles. Risk ratings should be reassessed to address the anomalies that exist in the risk data</p>

Table 73: Municipal Audit Committee Recommendations

2.7 PERFORMANCE AUDIT COMMITTEE

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the

performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

A) FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

2.8 INTERNAL AUDITING

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this Act, the annual Division of Revenue Act and another applicable legislation; and
- (c) perform such other duties as may be assigned to it by the accounting officer.

The Internal Audit function is outsourced to Ernst & Young.

With the appointment of the Internal Audit Manager in the latter part of 2011, George Municipality's IA function has effectively changed to a co-sourced function.

Risk assessments are conducted on a regular basis and informed the compilation of the 3 year rolling internal audit plan.

The results of the approved 3-year rolling internal audit plan (after amendments were processed relating to the 2011/12 financial year) are included below:

Audit unit ref.	Description of activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor General	Priority Assigned		
					10/11	11/12	12/13
PLANNING AND CONTROL							
1	Detailed Internal Audit Plan and Costing	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Audit Committee (AC) meetings / papers / secretariat (4 meetings pa)	MP	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Performance Audit Committee items (combined with AC)	MP	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Internal Audit Steering Committee (12 meetings per annum)	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Internal Audit Steering Committee - Update of IA Charter	TS	H	NO	<input type="checkbox"/>		
6	Audit quality control	MP	H	NO			<input type="checkbox"/>
7	Engagement administration	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ROUTINE PROGRAM ITEMS							
8	Cash counts: Quarterly	RPI	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL ROUTINE PROGRAM ITEMS							
9	Risk assessment - Review and update prior year	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Risk assessment - Battlefield compilation	MP	H	NO	<input type="checkbox"/>		
11	Risk assessment - Review of NT Risk Assessment	MP	H	NO			
12	Risk assessment - Facilitating departmental meetings	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Risk assessment - Reviewing of Risk Treatment Plans	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	
14	Risk assessment - Top 40 risks and monitoring processes	TS	H	YES			
15	Billing system (water / electricity / rates / sewerage / refuse / flat rates)	RPI	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	Prepaid electricity income	RPI	H	YES	<input type="checkbox"/>		<input type="checkbox"/>
17	External audit liaison	MP	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Water consumption (every 6 months)	RPI	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Cash counts: Annual	TS	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Stock counts: Annual	TS	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	Routine MLP follow ups	MP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OTHER PROGRAM ITEMS							
22	PMS and Organisational Structure (Quarterly reporting)	MP	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	Relevant Legislation and Regulations	MP	H	YES		<input type="checkbox"/>	
24	Asset Management	BP	M	YES			

Audit unit ref.	Description of activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor General	Priority Assigned		
					10/11	11/12	12/13
25	Asset Management - Phase 2	BP	H	YES			
26	Financial Cycles - Employee Cost	TS	H	YES	<input type="checkbox"/>		
27	Financial Cycles - Revenue and Receivables	TS	H	YES	<input type="checkbox"/>		
28	Financial Cycles - Purchases and Payables	TS	H	YES	<input type="checkbox"/>		
29	Financial Cycles - Assets and Liabilities	TS	H	YES	<input type="checkbox"/>		
30	Internal Control Testing (6 monthly)	TS	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	Financial Statement Review		H	YES		<input type="checkbox"/>	<input type="checkbox"/>
32	Financial Statement Close Process (G Higgins - 6 monthly updates)	TS	H	NO	<input type="checkbox"/>		<input type="checkbox"/>
33	Financial Statement Operating Procedure Manual - Initial process	TS	H	NO	<input type="checkbox"/>		
34	Financial Statement Operating Procedure Manual - Quarterly testing	TS	H	NO	<input type="checkbox"/>		<input type="checkbox"/>
35	Supply Chain Management	BP	H	YES			
36	Tariff Listings	BP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	Risk Management	BP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38	Risk Management - Policy review	BP	H	YES	<input type="checkbox"/>		
39	Risk Management - Reporting to Council (6 monthly)	BP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	IT - Delivery and Support	BP	M	YES			
41	IT - Data Analytics (Payroll)	BP	H	YES			
42	IT - Data Analytics (Billing)	BP	H	YES			
43	IT - Data Analytics (Supply Chain (vendors))	BP	H	YES			
44	Corporate Governance	BP	H	NO			
45	Corporate Governance - King III Assessment	TS	H	YES		<input type="checkbox"/>	
46	Corporate Governance - Checklists (refer Corporate Governance - King III Assessment)	TS	H	YES			
47	Corporate Ethics (refer Corporate Governance)	BP	H	NO			
48	GAMAP/GRAP	SP	H	YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49	Leave records: Monthly terminations	SP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50	IT Steercom	SP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51	HR Steercom	SP	H	NO	<input type="checkbox"/>		<input type="checkbox"/>
52	CAE Forum meetings	SP	H	NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
53	Contract Management	SP	H	NO	<input type="checkbox"/>		
54	Fraud Prevention - Fraud Risk Assessment (Initial)	TS	H	Yes		<input type="checkbox"/>	
55	Fraud Prevention - Fraud Risk Assessment (Annual review)	TS	H	YES			<input type="checkbox"/>
56	Fraud Prevention - Policy review	TS	H	YES			
57	Fraud Prevention - Presentation and policy roll out	TS	H	NO			

Audit unit ref.	Description of activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor General	Priority Assigned		
					10/11	11/12	12/13
58	Fraud Prevention - Assess policy and procedures (6 monthly)	TS	H	NO			<input type="checkbox"/>
59	Fraud Prevention - ICFC	TS	H	YES			
60	Internal Audit - Policies and Procedures Manual (IIA Compliant)	TS	H	NO			<input type="checkbox"/>
61	Special - Proclaimed Roads					<input type="checkbox"/>	
IMPROVE PROJECTS - MANAGEMENT LETTER FOLLOW UPS							
62	Auditor-General Management Letter follow up	MLP	H	YES		<input type="checkbox"/>	
63	Entity Level Controls	MLP	H	YES		<input type="checkbox"/>	
64	Tariff Listing 2010/2011 & 2011/2012	MLP	H	NO		<input type="checkbox"/>	
65	Billing System: November 2009 to September 2010 & October 2010 to June 2011	MLP	H	YES		<input type="checkbox"/>	
66	Capital Contributions	MLP	H	NO		<input type="checkbox"/>	
67	Building Control and Illegal Structures	MLP	H	NO		<input type="checkbox"/>	
68	Prepaid Electricity Income	MLP	H	YES		<input type="checkbox"/>	
69	Internal Control Testing: January 2011 to June 2011	MLP	H	YES		<input type="checkbox"/>	

Table 74: 3 Year Internal Audit Plan

Note:

	Projects kept on 11/12 plan
	Projects taken off 11/12 Plan.
	Improve projects (MLP follow ups) added to plan

Key to audit unit types:

MP	Management process
TS	Transversal system
BU	Business unit
BP	Business process
MLP	Improve projects (management letter point follow up)
SP	Special Project
RPI	Routine Project Item

Relating to and during the 2011/2012 financial year the following Internal Audit reports were issued:

Internal Audit Reports issued
Query - Discrepancies between WSDP and Water Consumption: Fluctuations and Anomalies (1 January 2008 to 31 December 2010)
Annual cash count 2010/2011
Termination of employment 146
Termination of employment 147
Internal Control Testing - July 2010 to December 2010
Performance management system quarterly reporting heat maps
Performance management system quarterly reporting 2010/2011 (Quarter 3)

Internal Audit Reports issued
Financial statement operating procedure manual - initial audit
Termination of employment 148
Termination of employment 149
Annual stock count 2010/2011
Quarterly cash count 2011/2012 (Quarter 1)
Prepaid electricity income 2010/2011
Review of risk treatment plans
Termination of employment 150
Risk assessment update 2010/11
Risk management: Battlefield
Risk Management responsibilities: Audit Committee and Internal Audit
Billing system - October 2010 to June 2011
Tariff listing 2011/2012
Termination of employment 151
Termination of employment 152
Internal Control Testing - January 2011 to June 2011
Termination of employment 153
Termination of employment 154
Termination of employment 155
Quarterly Cash Count 2011/2012 (Quarter 2)
Factual findings - consumption of water - 1 January 2011 to 30 June 2011
Water consumption: Fluctuations and anomalies for the period 1 July 2008 to 30 June 2011
Risk Management - Reporting to Council
Performance management system quarterly reporting heat maps
Performance management system quarterly reporting 2010/2011 (Quarter 4)
King III: Organisational reporting of Audit Committees
Termination of employment 156
Termination of employment 157
Amendment to termination of employment 157
Risk Management - Quarterly Risk Reporting (Quarter 1 of 2011/2012)
Special Proclaimed Roads
Termination of employment 158
Performance Management System Quarterly Reporting 2011/2012 (Quarter 1)
Performance Management System Quarterly Reporting Heat Maps
Amendments to terminations of employment 157 and 158
Termination of employment 159

Internal Audit Reports issued
Termination of employment 160
Quarterly cash count 2011/2012 (Quarter 3)
Risk Management - Quarterly Risk Reporting (Quarter 2 of 2011/2012)
Factual findings - consumption of water - 1 July 2011 to 31 December 2011
Water consumption: Fluctuations and anomalies for the period 1 July 2011 to 31 December 2012
Performance Management System Quarterly Reporting Heat Maps
Performance Management System Quarterly Reporting 2011/2012 (Quarter 2)
Prepaid Electricity: Management Letter Point Follow-up 2011/2012
Building Control and Illegal Structures: Management Letter Point Follow-up 2011/2012
Performance management system quarterly reporting heat maps (Quarter 3 of 2011/12)
Performance management system quarterly reporting 2011/2012 (Quarter 3)
Billing System: Management Letter Point Follow-up 2011/2012
Annual cash count 2011/2012
Risk assessment update 2011/2012
Tariff Listing: Management Letter Point Follow-up 2011/2012
Quarterly Risk Reporting 2011/2012 (Quarter 4)
Top Risks Update 2011/2012

Table 75: Internal Audit reports issued

The table below indicates the Ernst & Young Internal Audit staff members:

Name	Title	Qualifications
Justin Branford	Director	CA(SA) with 27 years of experience
Marlé Jacobs	Senior Manager	CA(SA) with 14 years of experience, Hdip Tax (UNISA), Certified Internal Auditor (CIA)
Elizna Prinsloo	Manager	CA(SA) with 10 years of experience, Certified Internal Auditor (CIA)
Cheryl Segon	Assistant Manager	CA(SA) with 7 years of experience
Shellmie Hendricks	Associate 3	National Diploma in Internal Auditing, B-tech Internal Auditing (2 years experience)
Lindelwa Mpindwana	Associate 1	National Diploma in Internal Auditing, B-tech Internal Auditing
Zimasa Bulu	Associate 1	National Diploma in Internal Auditing, B-tech Internal Auditing

Table 76: Ernst & Young Internal Audit staff members

2.9 SUPPLY CHAIN MANAGEMENT

2.9.1 COMPETITIVE BIDS IN EXCESS OF R200 000

A) BID COMMITTEE MEETINGS

The following table details the number of bid committee meetings held for the 2011/2012 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
56	62	20

Table 77: Bid Committee Meetings

B) AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The bid adjudication committee awarded **53** bids of an estimated value of **R 120 million** (excluding technical annual bids, petrol bid, security bid, insurance bid)

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (R)
T/ING/023/2011	Construction of the Western Bulk Water Pipeline, Phase 2	Civil Engineering Services	New Heights 232 (Pty) Ltd	24 853 120
T/ING/039/2011	Construction of Civil Services for the Thembaletu Housing Project : Upgrading of Informal Settlements program (UISP), Area 4C	Civil Engineering Services	ACV Civils CC	13 145 547
T/ING/031/2011	Upgrading of the Uniondale Waste Water Treatment Works	Civil Engineering Services	New Heights 232 (Pty) Ltd	10 917 557
T/ING/035/2011	Supply and Installation of Mechanical and Electrical Works for the Sewerage Reticulation of Pacaltsdorp / Asazani, Phase 2	Civil Engineering Services	Viking Pony Africa Pumps (Pty) Ltd t/a Tricom Africa	6 443 873
FIN021/2011	Reading of Meters	Financial Services	Sebata Municipal Services (Pty) Ltd	6 152 904
ENG013/2011	Electrification of Erf 325 Housing Project	Electro-Technical Services	VE Reticulation Company	4 866 244
FIN020/2011	Printing and Distribution of Monthly Service Accounts	Financial Services	Lithotech Africa Mail	1 619 114

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (R)
MM012/2011	Supply of Soup Products – Soup Kitchen Project	Corporate and Social Services	Margot Swiss International	1 068 840
OS029/2011	Building of New Change Rooms & Public Toilets on Erf 21631, Maraikamp, Parkdene	Environmental Affairs	RK Sauer Construction & CER Construction JV	889 807
BA025/2011	Minimum Competency Level Training	Corporate and Social Services	University of Stellenbosch t/a School of Public Leadership	885 000

Table 78: Ten highest bids awarded by bid adjudication committee

C) AWARDS MADE BY THE ACCOUNTING OFFICER

In terms of paragraph 5 (2) (a) of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is in excess of R 10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded (R)
T/ING/023/2011	Construction of the Western Bulk Water Pipeline, Phase 2	Civil Engineering Services	24 853 120
T/ING/039/2011	Construction of Civil Services for the Thembaletu Housing Project : Upgrading of Informal Settlements program (UISP), Area 4C	Civil Engineering Services	13 145 547
T/ING/031/2011	Upgrading of the Uniondale Waste Water Treatment Works	Civil Engineering Services	10 917 557

Table 79: Awards made by Accounting Officer

D) APPEALS LODGED BY AGGRIEVED BIDDERS

The Municipality received 30 appeals by aggrieved bidders. All the appeals were unsuccessful.

E) AWARDS MADE TO HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S), WOMEN AND ENTERPRISES WITHIN THE GEORGE MUNICIPAL AREA

The following tables details the value of competitive bids awarded to historically disadvantaged individuals (HDI owners), women and enterprises within the George Municipal Area during the 2011/2012 financial year (for tender up to 06/12/2011):

Number of contracts awarded to wholly or partly owned HDI companies	Percentage of contracts awarded to HDI members	Value of contracts managed by HDI members (R)
16	43.25	45 435 286.00

Table 80: HDI Bid Awards

2.9.2 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R30 000 AND R200 000

A) AWARDS MADE TO THE HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S), WOMEN AND ENTERPRISES WITHIN THE GEORGE MUNICIPAL AREA

The following tables details the value of formal written price quotations between R30 000 and R200 000 awarded to historically disadvantaged individuals, women and enterprises within the George Municipal area during the 2011/2012 financial year.

Number of contracts awarded to wholly or partly owned HDI companies	Percentage of contracts awarded to HDI members	Value of contracts managed by HDI members (R)
19	45.24	1 051 697.00

Table 81: Formal written price quotations between R 30 000 and R 200 000

2.9.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to **R 4 429 826.41** were approved. The following table provides a summary of deviations approved for 2011/12 respectively:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value
Emergencies	40	956 597.80	21.59
Sole supplier	160	3 082 801.16	69.60
Strip to quote	7	28 854.54	0.65
Impractical	50	361 572.91	8.16

Table 82: Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM policy has been complied with.

2.9.4 LOGISTICS MANAGEMENT

The system of logistics management must ensure the following:

- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, **Mitchell** Street is coded and is listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed.

As at 30 June 2012 the value of stock at the municipal stores amounted to **R 7 239 687.00**. For the 2011/2012 financial year a total of **R7 553.47** are accounted for as surpluses and **R36 827.69** as deficits.

2.9.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal process to include in the asset management and accounting policy provide the guidelines for the disposal of all obsolete and damaged assets. Information regarding assets that are to be disposed of will be collated and the request for approval for disposal will be tabled to Council.

2.9.6 PERFORMANCE MANAGEMENT

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process.

Three of the most important key performance indicators in the SCM unit are that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded. The following table details the performance for each of those key performance indicators:

Key performance indicator	2010/11 Baseline	2011/12 Achievement	Remarks
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services	90	95	Monitoring of processes on an on-going basis
Provide administrative support to the bid evaluation and adjudication committees to ensure fast and effective SCM processes	100	100	On-going process
Compliance with the SCM Act or Regulations measured by the limitation of successful appeals against the municipality	0	100	Monitor internal processes on an on-going basis

Table 83: SCM performance indicators

Further to this progress has been made with regards to the 2010/11 Auditor-General's audit findings. The following provides comment on each audit finding.

2.9.7 PROCUREMENT AND CONTRACT MANAGEMENT – NOT ALL REGULATION 6 (3) REPORTS WERE SUBMITTED

The report on the implementation of SCM within 30 days have been submitted, but not tabled in Council. This matter was addressed. The SDBIP reports served as quarterly reports and information was also available on the Ignite system on a monthly basis.

2.9.8 PROCUREMENT AND CONTRACT MANAGEMENT – NON-COMPLIANCE WITH SCM POLICY SECTION 26 (1)

Delegations were issued by the Accounting Officer to give effect to Section 26(1) of the SCM Policy. These delegations are regularly reviewed to ensure fully functioning bid committee system.

2.9.9 PROCUREMENT AND CONTRACT MANAGEMENT – INCORRECT DECLARATION OF INTEREST MADE

Issues were raised in the Auditor-General's Report regarding awards made to persons in service of the state. Declarations of interest must now be submitted with each quotation and though the municipality do not have access to systems to verify the authenticity of the declarations, steps can be taken against suppliers who give false declarations.

2.9.10 PROCUREMENT AND CONTRACT MANAGEMENT – SUPPLIERS NOT REGISTERED FOR VAT

VAT registration numbers of suppliers are indicated on a tax clearance certificate and is verified on the SARS website. SARS is also busy updating their systems to make provision for verification of all information supplied on SARS clearances certificates.

2.9.11 PROCUREMENT AND CONTRACT MANAGEMENT – MONITORING OF CONTRACTS NOT DONE ON A MONTHLY BASIS

This function is decentralised due to insufficient capacity in the SCM unit. This matter needs urgent attention. Management is currently addressing this situation and the municipality is in a process of restructuring to ensure effective service delivery.

2.10 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

The following by-laws were revised during the 2011/12:

By-laws developed/revised	Date of Publication
Outdoor advertising By-law	25 May 2012
Water and Sanitation Bylaw	21 January 2011

Table 84: *By-laws*

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy (Yes/No)	Date of Publication
Roles and responsibilities	25 January 2012	No	Not applicable
Delegation of power	25 January 2012	No	Not applicable
Tariff	29 May 2012	Yes	15/06/2012
Virement	4 July 2011	No	Not applicable
Property Rates	29 May 2012	Yes	15/06/2012
Indigent	26 June 2012	No	Not applicable
Customer care	29 May 2012	No	Not applicable
Credit Control	29 May 2012	No	Not applicable
Debt Collection	29 May 2012	No	Not applicable

Table 85: *Policies*

2.11 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	6 June 2012

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
All current budget-related policies	Yes	6 June 2012
The annual report for 2010/11	Yes	2 February 2012
The annual report for 2011/12 to be published	Yes	To be published
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2011/12 and resulting scorecards	Yes	11 September 2012
All service delivery agreements for 2011/12	Yes	As required
All long-term borrowing contracts for 2011/12	Yes	28 August 2012 2 December 2011
All supply chain management contracts above a prescribed value (give value) for 2011/12	Yes	As required
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2011/12	No	Not applicable
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	Not applicable
Public-private partnership agreements referred to in section 120 made in 2011/12	No	Not applicable
All quarterly reports tabled in the council in terms of section 52 (d) during 2011/12	Yes	Quarterly

Table 86: Website Checklist

2.12 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes (only 1 person currently on contract)
Communication strategy	In progress
Communication policy	In progress
Customer satisfaction surveys	yes
Functional complaint management systems	yes
Newsletters distributed at least quarterly	yes

Table 87: Communication Activities

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

ORGANISATION PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level.

A) PERFORMANCE SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2011/12

ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The municipality adopted a performance management framework that was approved by Council in **26 October 2011**.

THE IDP AND THE BUDGET

The IDP for 2011/12 was reviewed and approved on the **30 May 2011** and the budget for 2011/12 was approved by Council on **30 May 2011**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

B) SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on the **27 June 2011**.

THE MUNICIPAL SCORECARD (TOP LAYER SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- **One-year** detailed plan, but should include a **three-year capital plan**
- The 5 necessary components includes:
 - Monthly projections of revenue to be collected for each source
 - Expected revenue to be collected NOT billed
 - Monthly projections of expenditure (operating and capital) and revenue for each vote
 - Section 71 format (Monthly budget statements)
 - Quarterly projections of service delivery targets and performance indicators for each vote
 - Non-financial measurable performance objectives in the form of targets and indicators
 - Output NOT input / internal management objectives
 - Level and standard of service being provided to the community
- Ward information for expenditure and service delivery

- Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

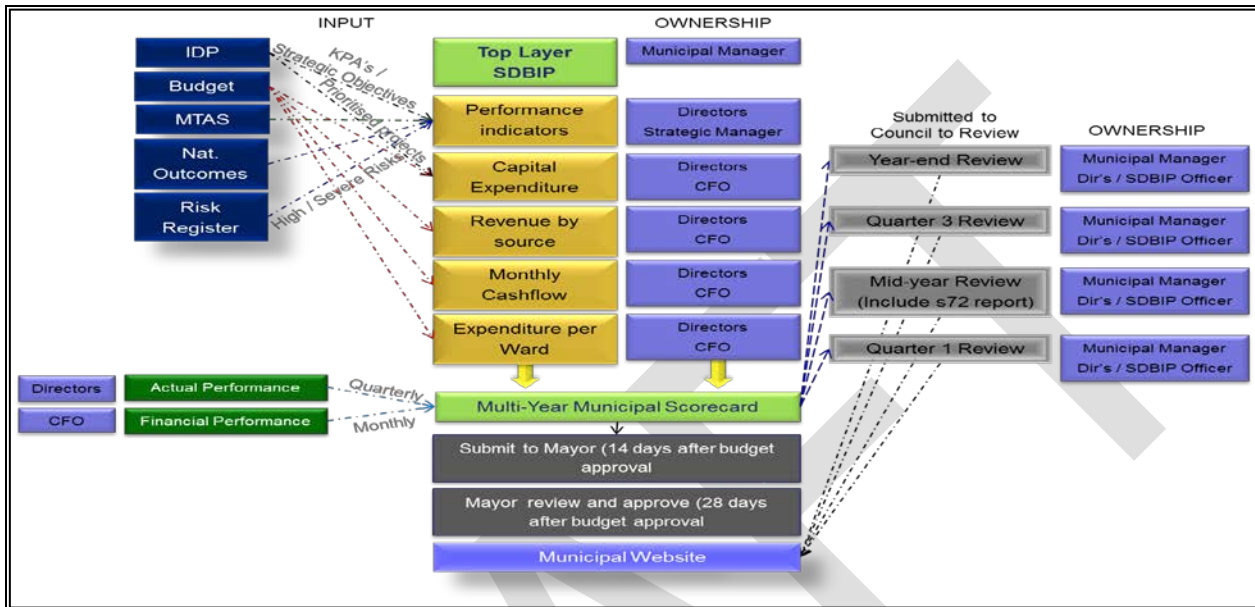


Figure 3: Review of the municipal scorecard (Top Layer SDBIP)

Top Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.
- The municipal turnaround strategy (MTAS)

It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

DIRECTORATE/DEPARTMENTAL SCORECARDS

The directorate and departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It was compiled by **senior managers** for their **directorate** and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

The following diagram illustrates the establishment, components and review of the departmental SDBIP:

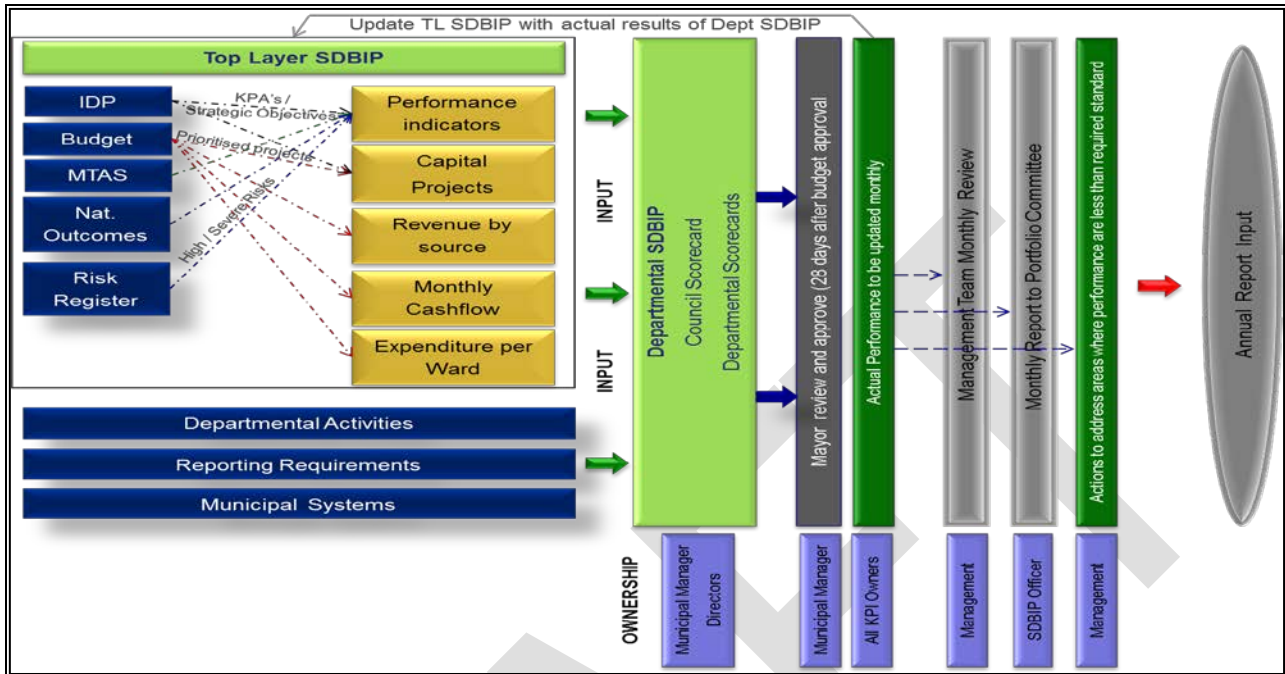


Figure 4: Review of the departmental SDBIP

KPI's were developed for **all the directorates**.

The KPI's:

- Address the TL KPI's by means of KPI's for the relevant section responsible for the KPI.
- Include the capital projects KPI's for projects. The targets are aligned with the projected monthly budget and project plans.
- Address the key departmental activities.
- Each KPI have clear monthly targets and are assigned to the person responsible for the KPI's.

ACTUAL PERFORMANCE

The municipality utilises an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported.
- A performance comment.

- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

MONITORING OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Mayor in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.
- Actual performance was subjected to an internal audit and results of their findings submitted to the Performance Audit Committee on:
 - Quarter 1 and 2 were performed and reported together to the AC during February 2012.
 - Quarter 3 report were submitted to the AC for the meeting scheduled for 22 Aug 2012
 - Quarter 4 report is currently in the execution phase and will be finalised in due course.

c) INDIVIDUAL PERFORMANCE

MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the section 57 appointments for the 2011/12 financial year were signed **during 29 July 2011** as prescribed. Only four performance agreements were signed during July 2011, they include Director: Civil Engineering Services, Director: Planning and Housing, Environmental Affairs and Sport and Director: Electro-Technical Services. The following positions were having officials on an acting capacity: Director: Community Safety, Director: Corporate and Social Services, Chief Financial Officer and the Municipal Manager. The Municipal Manager was subsequently appointed and signed his performance agreement with the Executive Mayor on 13 January 2011.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place on **5 December 2011** and the mid-year performance of 2011/12 (1 July 2011 to 31 December 2011) took place during **February 2012**.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal manager from other municipality

OTHER MUNICIPAL PERSONNEL

The municipality is in process of implementing individual performance management to lower level staff in annual phases.

3.2 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the 5 National Key Performance Areas (KPA) linked to the Municipal KPA's and IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Yet Measured		KPIs with no targets or actuals in the selected period.
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target >= 150%

Figure 5: SDBIP Measurement Categories

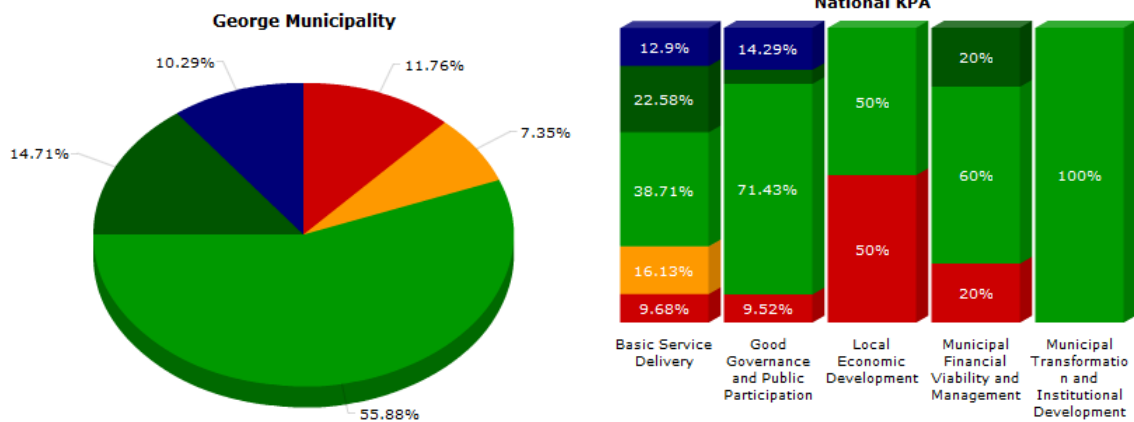
The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the table and graph below according to the National Key Performance Indicators:

	George Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
KPI Not Met	8 (11.8%)	3 (9.7%)	2 (9.5%)	1 (50%)	2 (20%)	-
KPI Almost Met	5 (7.4%)	5 (16.1%)	-	-	-	-
KPI Met	38 (55.9%)	12 (38.7%)	15 (71.4%)	1 (50%)	6 (60%)	4 (100%)
KPI Well Met	10 (14.7%)	7 (22.6%)	1 (4.8%)	-	2 (20%)	-
KPI Extremely Well Met	7 (10.3%)	4 (12.9%)	3 (14.3%)	-	-	-
Total:	68	31	21	2	10	4

Table 88: Top Layer SDBIP Performance per National KPA

A) OVERALL PERFORMANCE

The graph below displays the overall performance per National Key Performance Areas for 2011/12:



Graph 2: Overall Strategic performance per National Key Performance Indicator

B) ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

TOP LAYER - BASIC SERVICE DELIVERY

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual	Corrective Measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
TL7	Formal households with access to storm water services	% of households	All	75%	75%	75%	75%	75%	75%	75%	G	Not applicable
TL1	Formal households with access to basic level of sewerage services	% of households	All	98%	98%	98%	98%	98%	98%	98%	G	Not applicable
TL3	Formal households with access to basic level of water	% of households	All	98%	95%	95%	95%	95%	95%	96%	G2	Not applicable
TL10	Integrated Transport Plan completed and submitted to Council by the end of May 2012	% completed	All	New KPI	0%	0%	0%	100%	100%	100%	G	Not applicable
TL8	Tarred roads resealed within budget availability	Km of roads resealed	All	7.5	0	2	4	7	7	7	G	Not applicable
TL2	Sewerage purified to requirements of SANS (Green Drop)	% compliance	All	91%	90%	90%	90%	90%	90%	89%	O	Aerators are been serviced
TL4	Limit water losses through network	% of losses	All	7.92	0%	0%	0%	10%	10%	2.76%	B	Not applicable
TL5	Limit water losses through purification	% of losses	All	6.98	10%	10%	10%	10%	10%	7.05%	B	Not applicable
TL6	Water purified to meet SANS requirements	% compliance	All	99%	95%	95%	95%	95%	95%	96.15%	G2	Not applicable
TL9	Water Service Development Plan completed and submitted to Council by the end of May	% completed	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual	Corrective Measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
	2012											
TL68	Revision of disaster management plan by the end of May 2012 to ensure compliance with the necessary legislation	Plan revised	All	1	0	0	0	1	1	1	G	Not applicable
TL20	Percentage of households in informal areas with access to basic level of electricity as planned by the Department of Planning and Housing (subject to availability of funds)	% of informal households with access	All	90%	80%	80%	90%	95%	86.25%	90%	G2	Not applicable
TL21	Percentage of new informal areas supplied with electricity as planned (subject to availability of funds)	% of informal households with supply	All	100%	0%	0%	0%	83.75	83.75	100%	G2	Not applicable
TL19	Electricity master plan updated and aligned with budget & IDP by the end of May 2012	% aligned	All	85%	70%	70%	85%	95%	95%	100%	G2	Not applicable
TL18	Limit electricity system losses	% losses	All	5.5	13%	13%	12%	12%	12%	5.74%	B	Not applicable
TL25	Municipal sport facilities are wheelchair friendly	Number of sport facilities	All	1	0	0	0	1	1	1	G	Not applicable
TL22	Compilation of a Weed Control Strategy by the end of November 2011	Strategy submitted to Council	All	1	0	1	0	0	1	1	G	Not applicable
TL24	Household refuse collected (transfer station)	Tons of refuse collected	All	34527	6,000	7,000	7,000	6,000	36,000	23,229	O	Increase in recyclables
TL23	Minimise waste in terms of recycling	Tons waste recycled	All	6% of collections	21	21	21	21	84	1,309	B	Not applicable
TL30	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	All	New KPI	35,453	35,453	35,453	35,853	35,553	30,668	O	Introduction of awareness campaign to make indigent households aware of free basic services
TL32	Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per indigent household	All	70	70	70	70	70	70	70	G	Not applicable
TL31	Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per normal household	All	20	20	20	20	20	20	25	G2	Not applicable
TL33	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	All	New KPI	15,388	15,388	15,388	15,788	15,788	12,168	O	Introduction of an Awareness campaign to make indigent households aware of free basic

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							Corrective Measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	Annual			
												services
TL34	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum (R) of free basic refuse removal per month per household	All	23.83	R 95.33	R 95.33	R 95.33	R 95.33	R 95.33	R 95.33	G	Not applicable
TL28	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	All	15488	15,388	15,388	15,388	15,788	15,788	16,107.25	G2	Not applicable
TL29	Provision of free basic sanitation in terms of the equitable share requirements	Quantum (R) of free basic sanitation provided per HH pm	All	New KPI	R 226.90	R 226.90	R 226.90	R 226.90	R 226.90	R 94.00	R	Introduction of an Awareness campaign to make indigent households aware of free basic services
TL26	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	All	New KPI	35,453	35,453	35,453	35,853	35,553	30,668	O	Introduction of an Awareness campaign to make indigent households aware of free basic services
TL27	Quantum of free basic water per household in terms of the equitable share requirements	Quantum (KI) of free basic water provided per household pm	All	6	6	6	6	6	6	6	G	Not applicable
TL64	Implementation of Integrated Human Settlement Strategy measured by the % adherence to policy or no of projects complying with approved strategy by the end of June	No of houses completed	4; 14	333	100	100	100	100	400	56	R	This duplication of KPI's (no's 388 and 372) lead to misrepresentation which was duly corrected (an email in this regard has been sent to Ewayne of the External Audit team). The correct value should be 961 as per the Auditors and not 56
TL67	Number of new community halls built	Number built	All	1	0	1	0	0	1	1	G	The completion of Thembaletu Hall does not appear on the Ignite system under the Housing Projects Section where the reporting has been done but under the heading All KPI's. The completion of Thembaletu Hall is 100% completed within the projected timeframe
TL66	Number of new crèches built	Number built	All	1	0	1	0	0	1	0	R	Unfortunately, we neglected to report on Ignite nr. 390, but reporting was done on Ignite nr. 393 (planned = 100% vs.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual	Corrective Measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
												actual achieved = 100%). A duplication occurred.

Table 89: Top Layer SDBIP – Basic Service Delivery

TOP LAYER - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual	Corrective Measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
TL11	Implementation of the Employment Equity Act	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	4	0	0	0	4	4	4	G	Not applicable
TL49	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	100%	0	0	0	100%	100%	100%	G	Not applicable
TL61	Annual report and oversight report of council submitted before the end of January	Report submitted to Council	All	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL60	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	4	4	0	0	0	4	4	G	Not applicable
TL57	Effective communication with communities	Development of an all inclusive external and internal communication policy by December 2011	All	0%	0%	0%	100%	0%	100%	50%	R	There was no dedicated staff in this Office. Currently there is an official on a temporary basis and the process is underway to make the position permanent.
TL59	To determine citizen satisfaction	Citizen satisfaction survey conducted by June 2012	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL51	The municipality comply with all the relevant legislation	% compliance with laws and regulations	All	100%	0%	0%	0%	50%	50%	100%	B	Not applicable
TL46	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February	All	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL45	The main budget is	Approval of Main	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual		Corrective Measures for targets not achieved
					Q1	Q2	Q3	Q4	Annual			
	approved by Council by the legislative deadline	Budget before the end of May										
TL50	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL62	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	All	4	1	1	1	1	4	7	B	Not applicable
TL47	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	10	1	1	1	1	4	11	B	Not applicable
TL48	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per quarter	All	10	3	2	2	3	10	14	G2	Not applicable
TL55	The municipality listens and talks back to its people by ensuring that the IDP is consulted with all wards	No of ward committees consulted	All	20	0	0	0	25	25	25	G	Not applicable
TL58	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per annum	All	41	25	25	25	25	100	100	G	Not applicable
TL56	Strengthen the role	No of ward based development plans completed	All	New KPI	0	0	0	25	25	25	G	Not applicable
TL63	Risk based audit plan approved by June	Plan approved	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL52	IDP and sectoral plans aligned with Spatial development plan	% alignment	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL53	IDP and approved by the end of May	IDP approved by the end of May	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL54	The IDP is comprehensive and complies with the requirements of the Systems Act	No of required sectoral plans included in the IDP	All	8	0	0	0	8	8	8	G	Not applicable
TL65	Spatial development framework aligned with PSDF and PGDS	Finalise and submit to Portfolio Committee	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Table 90: Top Layer SDBIP – Good Governance and Public Participation

TOP LAYER - LOCAL ECONOMIC DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual		Corrective Measures for targets not achieved
					Q1	Q2	Q3	Q4	Annual			
TL13	The number of job opportunities created through municipality's economic development initiatives including EPWP	Number of job opportunities (FTE's) created	All	New KPI	0	0	0	1,942	1,942	2272	G2	The target is incorrect, should actually be 505 and the actual should be 2272
TL17	Economic Development is driven by a strategy	Economic Development strategy reviewed by March 2012	All	100%	0%	0%	100%	0%	100%	100%	G	Not applicable

Table 91: Top Layer SDBIP – Local Economic Development

TOP LAYER - MUNICIPAL FINANCIAL VIABILITY MANAGEMENT

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							Corrective Measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	Annual			
TL37	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	New KPI	2.6	2.6	2.6	2.6	2.6	3.25	G2	Not applicable
TL35	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	New KPI	17.1	17.1	17.1	17.1	17.1	7.9	R	We plan to do a Revenue enhancement project and also to improve credit control policies and actions
TL36	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	New KPI	13.20%	13.20%	13.20%	13.20%	13.20%	18%	G2	Not applicable
TL39	Improved revenue collection	% Debt recovery rate	All	96%	98%	98%	98%	98%	98%	98%	G	Not applicable
TL42	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL43	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL41	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	100%	100%	0%	0%	0%	100%	100%	G	Not applicable
TL40	No of Root causes of	No of Root causes	All	4	0	0	0	4	4	4	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual		Corrective Measures for targets not achieved
					Q1	Q2	Q3	Q4	Annual			
	issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	addressed										
TL38	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	4	0	0	0	0	0	0	G	Not applicable
TL44	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	0	0	0	1	R	This KPI was incorrectly updated. The actual should be zero as there were no successful appeals

Table 92: Top Layer SDBIP – Municipal Financial Viability and Management

TOP LAYER - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance of 2011/12							
					Targets					Actual	Corrective Measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
TL12	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	100%	0%	0%	0%	1%	1%	0%	G	Not applicable
TL15	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	4	3	2	2	3	4	4	G	Not applicable
TL14	Creation of an effective institution with sustainable capacity	% Vacancy level as % of approved organogram (Budgeted)	All	5%	5%	5%	5%	5%	5%	5%	G	Not applicable
TL16	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Table 93: : Top Layer SDBIP – Municipal Transformation and Institutional Development

3.3 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract is complied with.

3.4 MUNICIPAL FUNCTIONS

3.4.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Only electricity
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes

Municipal Function	Municipal Function: Yes / No
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes

Municipal Function	Municipal Function: Yes / No
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 94: Functional Areas

3.5 PERFORMANCE HIGHLIGHTS PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Highlights
Office of the Municipal Manager	IDP	IDP and Budget Process Time table approved by Council in August 2010 as required by the MFMA.
		Draft IDP tabled in Council in March 2011.
		IDP and Budget Road shows conducted in all wards.
		Final IDP document approved by Council on 30 May 2011 as required by the MFMA.
		MEC for Local Government confirmed that George Municipality's IDP is implementable.
	PMS	Top Layer SDBIP approved by the Executive Mayor within 28 days after the approval of the budget as required by the MFMA.
		Performance Management Policy Framework adopted by Council in October 2011.
		Quarterly performance information (non-financial) submitted on time to the Finance Directorate for consolidation of the Section 52 report in terms of the MFMA.
		Mid-year performance information (non-financial) submitted on time to the Finance Directorate for consolidation of the Section 72 report in terms of the MFMA.
		Annual Report and Oversight Report approved by end of March 2012 by Council as required by the MFMA.
		Annual Performance Report submitted to both Council by 29 August 2012 and Auditor-General by 31 August 2012.
		Top level Audit Committee administration
	Internal Audit	Top level Internal Audit Steering Committee administration
		Assistance in obtaining Unqualified Audit Opinion for 2010/2011
		Top level Risk Management Register and Risk Assessments
		Top level Internal Audit reporting framework
	Legal Services & Compliance	Continuous rendering a legal and compliance service to council, the directorates and municipal staff. Coordinated the review of current policies and developed a compliance register.
Corporate and	Committee Services	All meetings took place as planned

Directorate/ Functional area	Sub Directorate	Highlights
Social Services	IT	Capacity was enhanced with appointment of Senior Network Admin
	Libraries	Incorporation of DMA libraries
		Celebration of National Library Week in March
		Opening of Waboomskraal Library
	Social Development	<p><u>YOUTH DEVELOPMENT:</u></p> <p>SA Sport for Change (SA SC) Project</p> <p>The SA SC Programme is a 2010 World Cup legacy initiative implemented by Department Sport and Recreation South Africa (SRSA) and supported by the German Government. R 3 million was approved by the latter to erect sport facilities in New Dawn Park, Pacaltsdorp and Zone 9 in Thembalethu.</p> <p>The Tourism Ambassadors' Program</p> <p>Approximately 400 young people applied, in the George Area, for this learnership. Aptitude tests were written by these young people in two sessions to serve as a short listing method. The youth who passed this test with 70% and more were called back for an interview on 23 March 2012, the rest of the group will be interviewed at a later stage. The Programme commenced on 02 April 2012, with the majority of the learners placed at the Wilderness National Park, the rest will be placed at hotels in the area.</p>
		<p><u>SOCIAL DEVELOPMENT:</u></p> <p>The Homeless: The homeless is a major concern for the Municipality. As the Municipality cannot address or resolve this challenge on its own, meetings were held with all the different interest groups (Religious, Business and NGO Sectors, the different governmental departments and other role players and stakeholders) concerned and a steering committee established, with the aim to present an indaba where this issues can be brainstormed, possible interventions be discussed and an action plan developed. This Plan will aim to:</p> <ul style="list-style-type: none"> ■ Expand and coordinate the services available to homeless people in the city in an integrated manner and; ■ To promote greater awareness of the needs of homeless people.
		<p>The establishment of early childhood development centres (ECD) in marginalised areas:</p> <p>Rosedale:</p> <p>Rosedale is a newly established housing development in the George Municipal area. Their inhabitants hail from other areas of George and were the need for the establishment of an ECD facility identified. Some interest community members started such a facility from a house, but due to the limited space, the community contacted the Municipality for assistance. Land, temporally structures and equipment were provided by the Municipality. The Centre is in the process of registration at the Department of Social Development and is the Municipality responsible for regular monitoring, mentoring and support of the crèche, to ensure that it provides a sustainable service to the identified community and that their early childhood needs are addressed.</p> <p>Parkdene/ Kleinkrantz ECD Centres:</p> <p>As there is an ongoing need for ECD facilities, the Municipality erected another 2 facilities in Parkdene and Kleinkrantz in the 2011/12 financial year and was the one in Parkdene officially handed over to the service provider on 18 October 2012. All the above mentioned ECD facilities received assistance of equipment as per the Assistance to ECD Centres Policy.</p>
		<u>GENDER AND DISABILITY</u>

Directorate/ Functional area	Sub Directorate	Highlights
		<p>Disability:</p> <p>The 10th International OCC (Outeniqua Wheel Chair Challenge) was hosted by George Municipality which attracted 970 entries of which many international paraplegic athletes.</p> <p>The OCC Schools Project where healthy pupils raced in wheel chairs made 80 children from different schools aware about the physical constraints of individuals living with disability.</p> <p>The modifications for access to municipal buildings, streets and pavements to disabled individuals were completed.</p> <p>8 Individuals were enrolled and received ABET training in a joint project between Age in Action and APD, supported financially by George Municipality.</p> <p>The "Loslitdag" 3 Km fun walk to raise awareness about disability was attended by 540 individuals.</p> <p>Gender/Women:</p> <p>Support to training programme where 20 unemployed women were trained to create products from recycled materials.</p> <p>Assistance was given to APD George for setting up a chips manufacturing facility. The chips is being manufactured by 3-5 individuals and sold at schools and to the public.</p> <p>A group of women from Noll were empowered to produce pottery for sale to the public.</p> <p>900 Children made aware of cancer and 288 women tested for gender related cancer on Cancer Day.</p>
	Tourism	All activities as planned were performed
	Human Resources	Restructuring was finalised
Financial Services	Finance Management	All creditors are paid within 30 days
		All staff were paid salaries each month
		Clean Audit
		No additional loans were taken up
	Finance Operations	Revenue enhancement plan drafted and in effect
		In-house establishment of the debt collection and credit control unit
		The debtors payment ratio average above 90%
	Spatial Planning	Planning of the Metro Grounds
		Planning of the Airport Corridor
		Completion and grading of the Heritage Inventory
		Development of Hansmoeskraal Present Plan
	Properties	Leasing of Council Owned Properties R808983,00
		Sales of 28 Council Properties R6 474 751,00
	Housing Administration	438 instructions have been issued to the transferring conveyances and 580 transfers have been registered during this period
		A total of 366 items/reports were prepared and submitted to various committees
		A total of 15 units at the Rosemoor for the Aged have been allocated

Directorate/ Functional area	Sub Directorate	Highlights
		A total of 1 unit at the Davidson Court Flats for have been allocated
		The George Housing Section received 11, 374 visits from the public
		The Uniondale Housing Section received 922 visits from the public
	Housing Projects	GAP Housing: Council granted approval for the GAP Housing projects to be re-prioritised
		Lusaka and Tambo Square: Two contractors have been appointed to complete the 39 remaining houses. 18 Houses have been handed over to beneficiaries, 12 houses have been reached practical completion and 9 houses are in various stages of construction.
		Thembaletu Rectification Programme: Rectification completed – 767, Plastering completed – 739, Ceilings completed – 745, Painting completed – 620, Practical completion – 609, Final completion – 43.
		Access to basic services: An amount of R6 million has been received from the Department of Human Settlements for the Access to Basic Services Programme. Three/3 contractors have been appointed to provide ablution facilities in Thembaletu. As at 30 June 2012, 50 ablution facilities have been completed and handed over to beneficiaries.
		Infill housing project A: 2 Contractors have been appointed to construct 24 houses in various areas. 16 houses are in various stages of construction.
		Infill housing project B: Two contractors have been appointed to complete the 41 remaining houses in the project. 21 houses have been handed over to beneficiaries. 8 houses are in various stages of completion and the remainder of the houses must still be built.
		EHP: 22 Houses – The contractor has completed 19 houses with the remainder of the houses in various stages of construction/repair
		EHP: 16 Houses – One tender has been received and cannot be awarded as the tender amount exceeds the available budget for the project. A request was forwarded to DoHS for an increase in the EHP quantum.
		EHP: 9 Houses/EHP 13 houses Tenders have been received and cannot be awarded as the tender amounts exceed the available budget for the projects. A request was forwarded to DoHS for an increase in the EHP quantum
		EHP: 3 houses Quotations were requested on 18 June 2012 for the repair of these houses with a closing date of 09 July 2012.
		EHP applications submitted to department of human settlements with regard to fire damaged houses = 42
		Upgrading of informal settlement programme Approval was granted by the Department of Human Settlements in the amount of R86 172 747-00 for the development (installation of services) for the first phase of the Thembaletu UISP project. The portions to be developed are areas 4(a), (b) and (c).
		A total amount of 5628 houses has been visited by the newly appointed two clerks during the 2011/2012 financial year.
	Housing Land	Action against informal settlers

Directorate/ Functional area	Sub Directorate	Highlights
	Management	<p>Structures erected illegally structures demolished – 214 Notices – demolitions – 212 Structures demolished – 211 Approval – building additions and/or removals – 18 TOTAL = 655</p> <p>Action against vagrants: A total of 4441 actions have been implemented in the following areas: 16 York Street, George Hospital, Van Riebeeck Gardens, Darling Street, Taxi rank, Rooirivier, Van der Stel Square, Katriver, Old Urban's Grounds in Fichat Street, Stander Street under bridge, Train station, Pool in Plantation Road, etc.</p>
Community Safety	Traffic services: Law enforcement	Educational programmes in almost every school in George especially Grade R-Danny Cat shows, Scholar Patrols education & programs, received an award from Athletics SA. for outstanding services rendered for special functions, decrease in violations due to the component of Law Enforcement(deployment),Appointment of Reservists,
	Traffic services: Legal processes	<p>Successful implementation of administration marks against the identity numbers of people with outstanding warrants.</p> <p>Successful operations held with Syntell with regards to outstanding warrants.</p>
	Traffic services: learner & driving licensing section	Extension of services to Saturdays to reduce the waiting period, Utilising of the Testing Station for operations (roadblocks, VCP'S and free testing) Tests free of charge for roadworthiness (Easter/Festive Season)
	Traffic services: vehicle registration	Appraisals received for good service delivery (Batho Pele Principles)
	Municipal Law enforcement	<p>Successful control / handling of protest marches.</p> <p>Better control over stray cattle – less impoundments.</p>
	Emergency services	Successfully extinguishing fires in the George Municipal Area & rural areas.
		Conduct Fire prevention inspections successfully according to KPI's.
		Evacuation exercise
		Public awareness programs at schools and to the public.
		<p>Environmental Health</p> <p>This section's main focus areas are monitoring of air and noise pollution and educational projects such as air quality week, tobacco week, harbour week, coastal cleanup and greenest school project to uplift communities and to try and make a difference in poverty alleviation.</p> <p>All municipal bylaws regarding noise and air pollution, keeping of poultry and overgrown erven were recently revised which makes service delivery in this regard much easier.</p>
Civil Engineering Services	Planning and Project Management	Various route determinations completed to reserve areas for future roads identified in the George Roads Master Plan
		First phase of stormwater master plan completed. To be followed by subsequent phases to provide complete master plan for entire George area
		All projects carried out within specification and budget. Full MIG grant funding spent
		Commencement with construction of internal serviced for Phase 4C, Thembaletu,

Directorate/ Functional area	Sub Directorate	Highlights
		624 erven
	Roads	Completion of UTRCP road in Makazha street, Thembaletu
	Stormwater	Completion of Stormwater Master plan
	Water	Received Blue drop status – 7 th in South Africa
		Phase 2 of Western Pipeline bulk water commenced. Final phase of upgrades to George and Wilderness WTW completed.
	Sewerage	Bulk infrastructure projects implemented – Thembaletu/Asazani bulk sewer pipeline and pump station commenced. Uniondale WwTW upgrade commenced. Various upgrades completed at Outeniqua WwTW
		Received Green drop status in 2011
	Transport	George Integrated Public Transport Network negotiations ongoing with aim to transform current taxi industry and to provide a public transport system for George. Various infrastructure upgrades completed to facilitate public transport. Funding applications submitted to National Treasury.
Electro Technical Services	Planning	<p>1. <u>Electrification of Rosedale</u> On 12 June 2012 the underground electrification of 904 houses in Rosedale, Pacaltsdorp, was finalised. The electrification project was financed with a grant from the Dept of Energy and the work was completed well within budget and ahead of schedule.</p> <p>2. <u>Upgrading of the Herolds Bay supply (Herolds Bay 66 kV Substation) Phase 1</u> The project entails the strengthening of the main electrical supply to Herolds Bay by means of a newly constructed 66kV Substation situated in Ou Baai as well as the construction of a 66kV power line. The Substation building and civil works including security fencing and access road was completed by June 2012. The substation will initially be operated at 11kV and will later be upgrading to 66 kV. The completion of the substation is intended to take place in the following financial years. This substation is required urgently to accommodate the growth and the power supply problems in the area.</p> <p>3. <u>Schaapkop 132/66 kV Substation</u> The Schaapkop 132/66kV substation was completed at a total cost of R120M. (R22,7m this financial year) The substation was built to strengthen the main electrical supply to George and includes a 120MVA, 132/66/11 kV, auto transformer. This is the largest auto transformer ever built in the Alstom factory in South Africa.</p> <p>4. <u>Refurbishment of Chestnut substation.</u> The existing 11kV switch-gear in Chestnut substation was refurbished and extended to accommodate the ever increasing demand in the Heather Park area.</p> <p>5. <u>Upgrading of electrical network in Lawaaiakamp.</u> A new mini substation, supply cables and street lights were installed in Lawaaiakamp in order to upgrade the existing electrical network and improve the reliability of the supply. The upgrading of the rest of the electrical network will be performed in phases during the next few financial years, subject to availability of funds.</p> <p>6. <u>Strengthening of electrical network in Thembaletu.</u> Specialised over-head switch-gear was installed at strategic points to minimise electrical outages. An 11kV ring-feed cable was installed to accommodate the electrical supply to the new Thembaletu mall.</p>

Directorate/ Functional area	Sub Directorate	Highlights
		<p>7. <u>Street lighting Pacaltsdorp.</u> New street lights on the main road to Rosedale and the Regional Sewerage Works were installed.</p> <p>8. <u>Renewable Energy Projects</u> Negotiations are underway with various developers for Renewable energy projects in the George and Uniondale areas.</p>
	Administration	<p>1) <u>Uniondale Distribution license (NERSA)</u> The license to distribute electricity in Uniondale was granted by NERSA. Eden District Municipality distributed electricity in Uniondale before it was taken over by George Municipality. The highlight of the exercise is that the Uniondale electricity tariffs have been reduced and are now aligned with the George Municipality tariffs.</p>
		<p>2) <u>Obtaining the Infrastructure Development Grant from National Treasury to appoint interns</u> Grant funding from National Treasury was allocated to appoint interns in the Electrical- & Civil Engineering fields to address the skills shortages and unemployment amongst young graduates. An amount of R 10m over a period of 3 years has been allocated from the National Infrastructure Skills Development Grant.</p>
	Engineering Services	<p>Upgrading of SS Protea (Pacaltsdorp) ripple control transmitter A saving of R20 000,00 was achieved when the ripple control transmitter at Protea Substation was upgraded by own staff.</p>
		<p><u>Upgrading of protection</u> The electrical protection in the Thembaletu substations was upgraded with state of the art microprocessor controlled relays. Fibre optic communication cable is also being installed between the substations for the implementation of a telemetry system in the area.</p>
		<p>The second 66/11kV transformer at SS Protea was switched on The second 10 MVA 66/11 kV transformers that had been relocated from Langenhoven substation to Protea substation were commissioned and energised.</p>
	Distribution	<p>1. Critical staff After a lengthy process the Appointment of one Electrician and the Senior Manager Distribution were finalised</p>
		<p>2. Maintenance Regular maintenance was performed on electrical equipment. Contractors were appointed to assist with maintenance due to the shortage of staff. The backlogs in maintenance in Uniondale are being addressed but these networks will require much more attention.</p>
	Services	<p>The annual festive lights The annual switch-on festival of the Festive lights was attended by approximately 10 000 people from all over George. It also announces the beginning of the Festive season. York street remains the centre of the festive lights but additional lights were installed in Sandkraal road from Conville Police Station to Thembaletu and in Pacaltsdorp, Blanco and Uniondale. All the George festive lights are designed and build by George Municipal personnel.</p>
	Fleet Management	<p>New Vehicle A 4x4 light delivery vehicle for Mechanical Services was replaced to accommodate the much needed maintenance of water and sewer pump stations in Uniondale and George.</p>

Table 95: Performance highlights per directorate/functional area

3.6 CHALLENGES PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Challenge
Office of the Municipal Manager	IDP/PMS	George Municipality has been performing the integrated development planning and Organisational PMS function with limited staff capacity. The unit has only the IDP Manager and one Senior Admin Officer.
	Internal Audit	Finalising management letter points with assistance of directorates.
		Establishment of co-sourced Internal Audit Activity
	Legal Services & Compliance	Lack in capacity, as vacant positions are not filled as yet. Keeping abreast with changed legislation.
Corporate and Social Services	IT	Need more capacity with respect to personnel and budget allocations
	Libraries	To provide an effective library service to the community of George.
		To provide all libraries in the municipal area with internet access for the public.
		To provide wheelie wagons to those remote communities where there is a need.
	Social Development	Sub-section: social development: Soup Kitchen: There was a backlog in the delivery of food products to the soup kitchens, due to challenges faced by the Service Provider to provide some of the prescribed products and the fact that the products were not delivered to all the soup kitchens.
		Sub-section: HIV/AIDS Due to the large cuts in the budget, the ARV Program could not be implemented fully.
		Sub-section: gender & disability Gender: The large cuts in budget posed a serious challenge to the implementation of approved projects. Disability: Due to budget cuts the approved research project about the disabled community of George could not be implemented.
	Tourism	Need more funding for progressive projects
	Human Resources	Staff capacity needs to be enhanced with new appointments
Financial Services	Finance Management	Prepare and execute the framework in the Cash Flow statement to identify periods of cash shortfalls and take corrective actions as required
		Implement strict budget management
		Obtaining a clean audit report
	Finance Operations	Manage revenue and expenditure, keeping each in balance with the other
		Institute regular authentic reporting of operations and their financial effect on the operations
		Set up suitable structures for the management of cash, revenue and expenditure, collection of debtors and the making of commitments.

Directorate/ Functional area	Sub Directorate	Challenge
Planning and Housing	Land use management Spatial Planning Building Control Properties	Acute shortage of planning staff with resulting inability to comply with statutory requirements and proactive development planning and facilitation
		Questionable credibility and/ or understanding of the planning function with broader community and resulting spiralling illegal land uses and unwise developments which undermines effective planning and sustainable development.
		Weak economic base and unsustainable development with spiralling infrastructure requirements and costly services which results in an unaffordable city with diminishing ability to render services.
		Historic planning context with segregated communities and an unequal space economy and access to opportunities which compromises the social wellbeing with high levels of relative poverty.
		Lack of shared institutional focus and priorities in accordance with challenges.
		Create quality and safe living environments in support social wellbeing
		Ensure sustainable development to maintain the environmental integrity
		Undertake development planning to support and facilitate economic growth
		Develop an efficient and financial viable planning service
		Improve and maintain levels of service delivery and customer satisfaction
		Build an effective and efficient Department with motivated and competent staff.
	Housing Administration	Keeping politics out of Housing
	Housing Projects	Inadequate funding allocation for housing provision
		Staff shortage – dedicated projects
		Rural Housing
	Housing Land Management	Areas for relocation/transit camps – limited capacity at Syferfontein
Community Safety	Municipal law enforcement	Assisting and relieving of the homeless people social economic circumstances.
		To improve its performance in traffic policing, by-law enforcement and general law enforcement.
	Emergency services	Decentralisation of services closer to communities / rural areas / rural areas
Environmental Affairs	Parks and Recreation	Parks & Recreation Playing apparatus for children in parks are vandalised on a continued basis and it cost the municipality almost R150 000 every year to repair it. Because of the vastness of parks it is extremely difficult to patrol the areas on a regular basis in order to enforce the municipal bylaws. The fencing of these play parks, as requested by many residents is however not practical and will also cost a huge amount.

Directorate/ Functional area	Sub Directorate	Challenge
		Cemeteries Vandalism is also experienced in cemeteries where tombstones are damaged or knocked down. Fences around the cemeteries are also vandalised and in certain instances had to be removed.
		Beaches Challenges at beaches include the need for more parking, curbing of vandalism of ablution facilities and to restrict holiday makers from bringing liquor onto the beach and surrounding recreational areas. Braai facilities have been erected at all four beaches but the use of alcoholic beverages is strictly forbidden. In order to maintain law and order and to prevent conflict situations it is necessary to control the entrance to the beaches. Vandalism to ablution facilities might be best regulated by overhead security cameras.
	Cleansing and Environmental Health	Waste Management The biggest challenge with waste management is the illegal dumping of refuse on open areas in the neighbourhood. The municipality currently have to clean these so called "hotspots" on a regular basis costing the municipality huge amounts. Although a project coordinator has been appointed to educated adults and children about waste management, there is very little progress.
		Environmental Health The regulating of noise from nightclubs is certainly one of the biggest challenges for the municipality. The restriction of trading hours as far as liquor is concerned will have a profound effect on the playing of music late in the evening or early in the morning. Another challenge is the approval of "buying off fines" by the local magistrate. When these ransom fines have been approved it will be much easier for the municipal law enforcement officers to impose the municipality's bylaws.
	Maintenance and Sport	Maintenance The effective maintenance of municipal buildings and equipment are hampered by regular vandalism of buildings and equipment. On Unity plain in York Street all sprinkler heads and the motor were stolen overnight. This took place in one of the busiest areas in George. This evil has a negative effect on the maintenance personnel who has to fix it again and again. The security cameras erected in the central business area will certainly have a more positive effect.
		Sport There are many challenges facing sport. One of the most important challenges is the curbing of vandalism to facilities, the proper management of the facility by the elected sport club and the supply of enough funds to upgrade the facilities and infrastructure.
Civil Engineering Services	General	The proper management and long term planning of infrastructure can only be achieved by sufficient technical capacity. Many technical posts are presently in the process of being filled. It however remains a challenge to attract people with the required skills. Programs are underway to employ technical interns. These interns will be trained in practice and mentored by personnel in the department. The expectation is that this process will produce young professionals that could be attracted into the technical municipal field.
		The various infrastructure networks are ageing and require increasing levels of maintenance. Upgrades and replacement expenditure is needed for water, sewerage, roads, storm water system, etc. Proper asset management principles need to be applied. This includes the timely replacement and rehabilitation of assets. The funding for this purpose must be addressed in the long term financial

Directorate/ Functional area	Sub Directorate	Challenge
		plan George is a fast growing area and this growth is placing a tremendous pressure on bulk infrastructure. The capacity of George Municipality to obtain more loan funding is already limited and therefore the funding for new infrastructure is a major stumbling block in the provision of new infrastructure capacity. Grant funding from other government spheres has become more important. This funding source has grown in importance in proportion with municipal funding. The long term solution can only be more independency of loan and grant funding by the provision of CRR Funding. This can only be achieved by strict financial discipline and adherence to a long term financial strategy that is formulated in a long term financial plan.
	Stormwater	Sufficient funding for maintenance and upgrading
	Water	Maintain service levels
	Sewerage	New WWTW being constructed and will become operational during 2012/2013 – staff will need to be employed and management structure implemented.
		George Municipality has over 85 sewage pump stations and many other mechanical and electrical installations. It is important to operate and maintain these installations in such a manner that they remain fully operational. Maintenance has been partially outsourced in the past. The maintenance of these assets is extremely important because the lack of maintenance will result in loss of value and possible consequences with regard to service delivery. More funding is required for maintenance. This matter must be addressed in the long term financial plan.
	Transport	Planning for the operation of the transport network will require expenditure to be incurred in due course.
Electro Technical Services	Planning	Budgetary constraints remain the main challenge in the planning section. A great deal of pressure to supply electrical connections to the informal sector persists. Department of Energy (DoE) grants do not cover all needs and expectations. Upgrading and replacement of the existing electrical infrastructure is lagging due to financial constraints. The legislative and financial constraints make it extremely difficult to implement renewable energy projects within the municipality.
	Administration	The financial constraints have a direct impact on the ability to appoint competent staff. A number of key staff will retire in the foreseeable future. Insufficient funds for the training and development of staff to become multi-skilled, succession planning and mentorship remains a problem. Critical vacant posts will have to be filled. Training is also necessary to keep staff motivated to provide excellent services. The downturn in the economy and reduction in the sale of electricity forced the municipality to cut back on expenditure and only the most critical vacant posts could be filled.
	Engineering Services	Staff shortage, non-competitive salaries and budget constraints remain a problem. The salaries offered by Eskom and other institutions for qualified technical staffs are far higher than the municipal salaries. Staff retention and the inability to attract suitably skilled staff is a major problem.
	Distribution	The salaries offered by Eskom and other institutions for qualified technical staff are far higher than the municipal salaries. Staff retention and the inability to attract suitably skilled staff is a major problem.

Directorate/ Functional area	Sub Directorate	Challenge
		The municipality will have to resort to the appointment of Contractors to provide crucial maintenance functions due the critical shortages of skilled staff. These services should be provided by own staff at a lower rate while retaining the essential skills within the organisation
		The backlog in maintenance and poor condition of the Uniondale networks will have to receive special attention. Funds will have to be provided to improve these networks.
		The expected income from the sale of electricity did not materialise due to the downturn in the economy and the expenditure on maintenance and staff costs had to be reduced
	Services	<p><u>CABLE THEFT:</u></p> <p>Unfortunately the city, like most of the utilities in South Africa, is suffering from an unprecedented onslaught from cable thieves, many of whom are “tik” addicts, desperate for drug money. An effective deterrent is to keep the streetlights on during the day as petty thieves rarely risk their lives by hacking into live wires. However, we have become aware that the organised thieves have an electrical background and know how to steal live cables without being electrocuted. The cable attached to the wooden streetlight poles are targeted regularly and the cost of replacing the short length of stolen cable and vandalised equipment amounts to about R1000 per streetlight pole. It becomes more costly when feeder cables are stolen. These costs do not even take into consideration the inconvenience caused to residents or the additional risks to the public due to exposed electrical cables and the costs to prevent access and to secure our equipment. Disruptions in service delivery in hot-spots such as Thembaletu, Pacaltsdorp, Conville, Parkdene, Borchards, Lawaai kamp, Golden valley, De Rus, Le Vallia and some main Provincial Roads are invariably caused by cable theft and vandalism.</p> <p>Cable theft is draining the resources (man, money and machinery) of the electricity services and hampering our efficiency in attending to other public electricity complaints and requests. The public is requested to please report suspicious activity around substations and power lines at our hot-line number: 08600 44044.</p> <p>George Municipality has a dedicated person serving on various forums with the police and other role players whose aim is to prevent the theft of cables.</p>
	Fleet Management	Budget constraints limit the replacement of aging vehicles in the fleet. The funding for the replacement of the fuel management system and vehicle tracking system did not materialise. These systems are required urgently to manage the issue of fuel and municipal fleet usage.
		There are a number of vacant posts in the section and staff retention and the inability to attract suitably skilled staff is a major problem

Table 96: Performance challenges per directorate/functional area

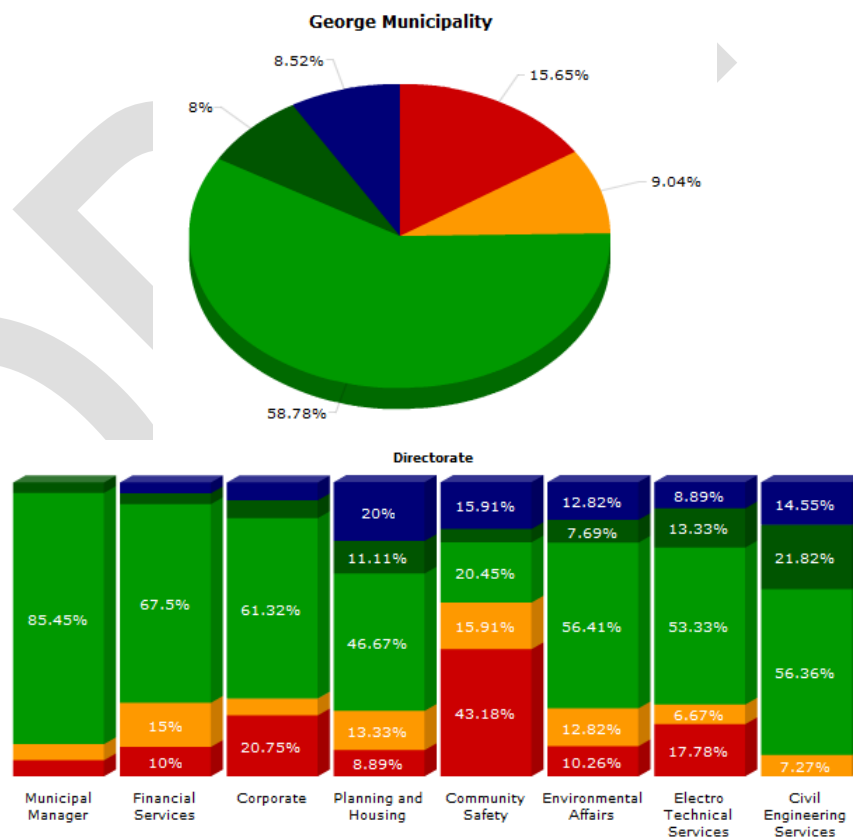
3.7 OVERVIEW OF PERFORMANCE PER DIRECTORATE

The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2011/12 financial year and where applicable, in comparison to the 2010/11 financial year. The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June 2012.

	George Municipality	Directorate							
		Municipal Manager	Financial Services	Corporate & Social Services	Planning and Housing	Community Safety	Environmental Affairs	Electro Technical Services	Civil Engineering Services
KPI Not Met	90 (15.7%)	3 (5.5%)	8 (10%)	44 (20.8%)	4 (8.9%)	19 (43.2%)	4 (10.3%)	8 (17.8%)	-
KPI Almost Met	52 (9%)	3 (5.5%)	12 (15%)	12 (5.7%)	6 (13.3%)	7 (15.9%)	5 (12.8%)	3 (6.7%)	4 (7.3%)
KPI Met	338 (58.8%)	47 (85.5%)	54 (67.5%)	130 (61.3%)	21 (46.7%)	9 (20.5%)	22 (56.4%)	24 (53.3%)	31 (56.4%)
KPI Well Met	46 (8%)	2 (3.6%)	3 (3.8%)	13 (6.1%)	5 (11.1%)	2 (4.5%)	3 (7.7%)	6 (13.3%)	12 (21.8%)
KPI Extremely Well Met	49 (8.5%)	-	3 (3.8%)	13 (6.1%)	9 (20%)	7 (15.9%)	5 (12.8%)	4 (8.9%)	8 (14.5%)
Total:	575	55	80	212	45	44	39	45	55

Table 97: Summary of total performance per Directorate

The following graph indicates the overall results of all the KPIs measured of the various directorates in terms of the municipal SDBIP performance management system:



Graph 3: Overall performance of directorates for 2010/11 and 2011/12 respectively

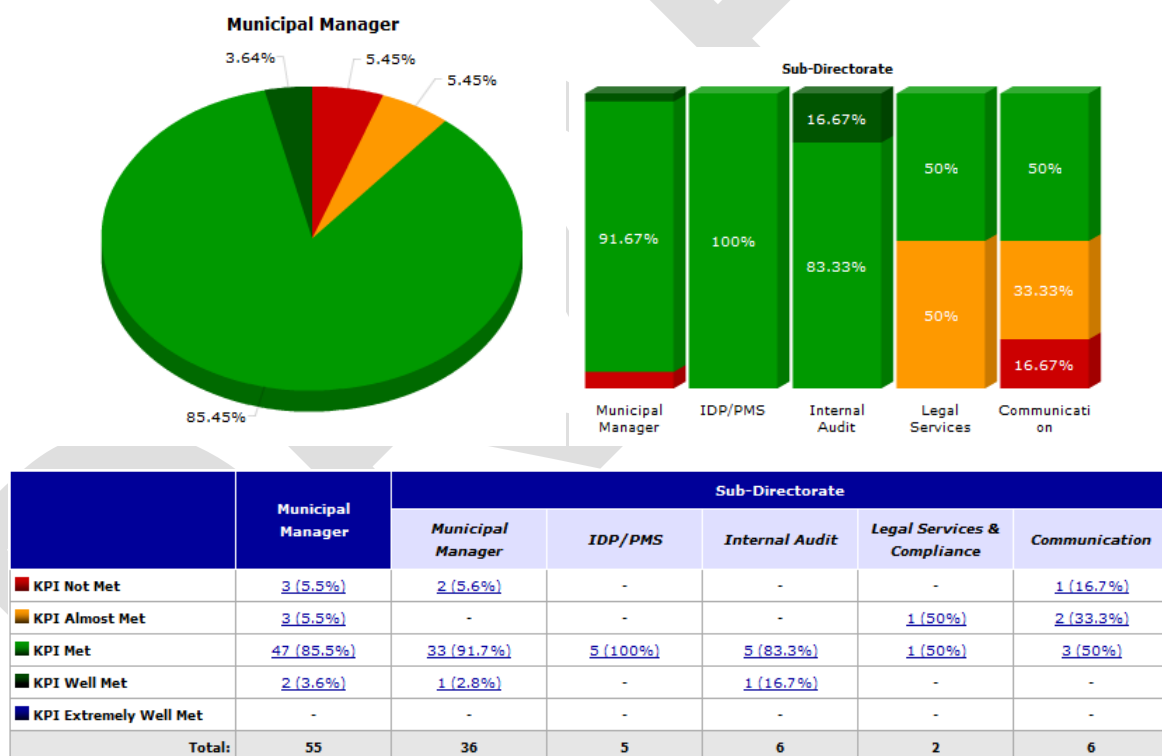
3.8 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

3.8.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager consists of the following divisions:

- Municipal Manager
- IDP/PMS
- Internal Audit
- Legal Services and Compliance
- Communication

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Office of the Municipal Manager directorate in terms of the municipal SDBIP performance management system:



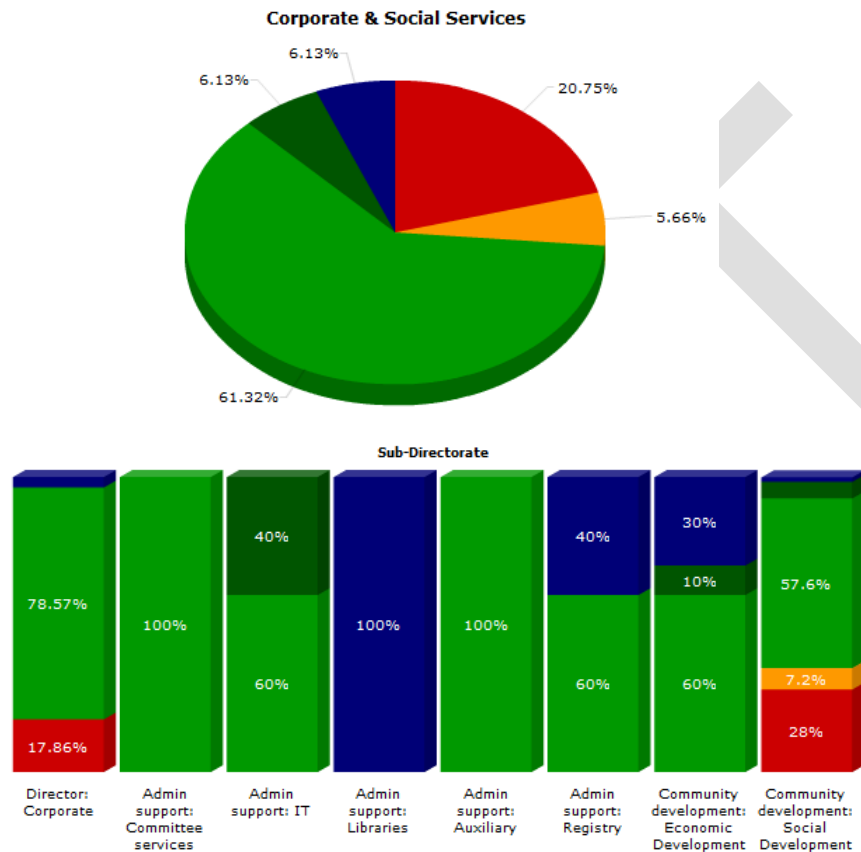
Graph 4: Office of the Municipal Manager performance per sub-directorate

3.8.2 CORPORATE AND SOCIAL SERVICES

Corporate and Social Services consists of the following divisions:

- Director: Corporate
- Admin support: Committee services
- Admin support: IT
- Admin support: Auxiliary
- Admin support: Registry
- Admin support: Libraries
- Community Development: Economic Development
- Community Development: Social Development
- Community Development: Tourism
- Human Resources

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Corporate and Social Services directorate in terms of the municipal SDBIP performance management system:



	Corporate & Social Services	Sub-Directorate							
		Director: Corporate & Social Services	Admin support: Committee services	Admin support: IT	Admin support: Libraries	Admin support: Auxiliary	Admin support: Registry	Community development: Economic Development	Community development: Social Development
KPI Not Met	44 (20.8%)	5 (17.9%)	-	-	-	-	-	-	35 (28%)
KPI Almost Met	12 (5.7%)	-	-	-	-	-	-	-	9 (7.2%)
KPI Met	130 (61.3%)	22 (78.6%)	3 (100%)	3 (60%)	-	5 (100%)	3 (60%)	6 (60%)	72 (57.6%)
KPI Well Met	13 (6.1%)	-	-	2 (40%)	-	-	-	1 (10%)	7 (5.6%)
KPI Extremely Well Met	13 (6.1%)	1 (3.6%)	-	-	2 (100%)	-	2 (40%)	3 (30%)	2 (1.6%)
Total:	212	28	3	5	2	5	5	10	125

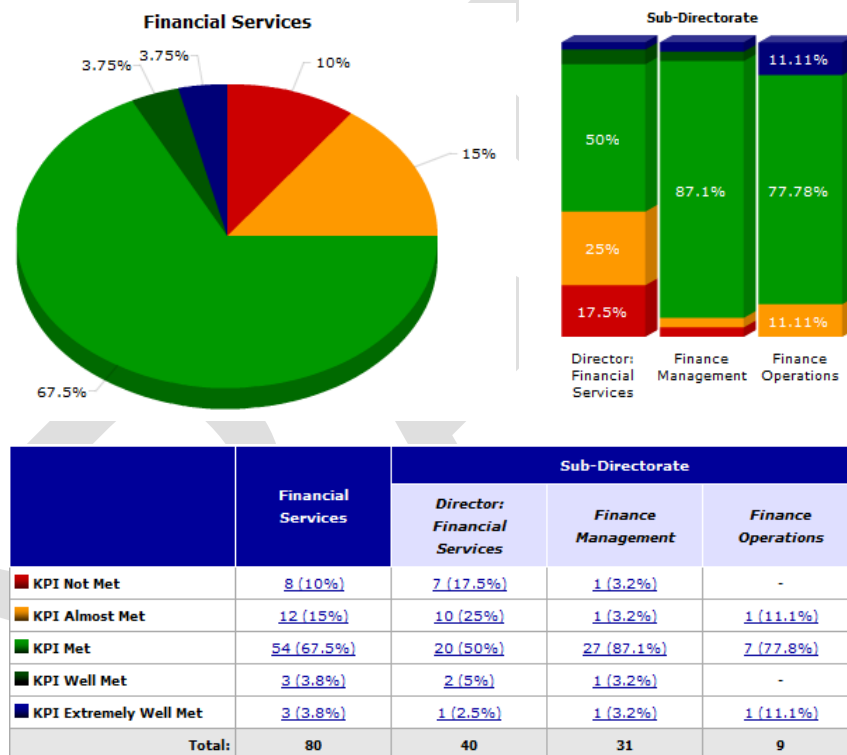
Graph 5: Corporate and Social Services performance per sub-directorate

3.8.3 FINANCIAL SERVICES

Financial Services consists of the following divisions:

- Director: Financial Services
- Finance Management
- Finance Operations

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Financial Services directorate in terms of the municipal SDBIP performance management system:



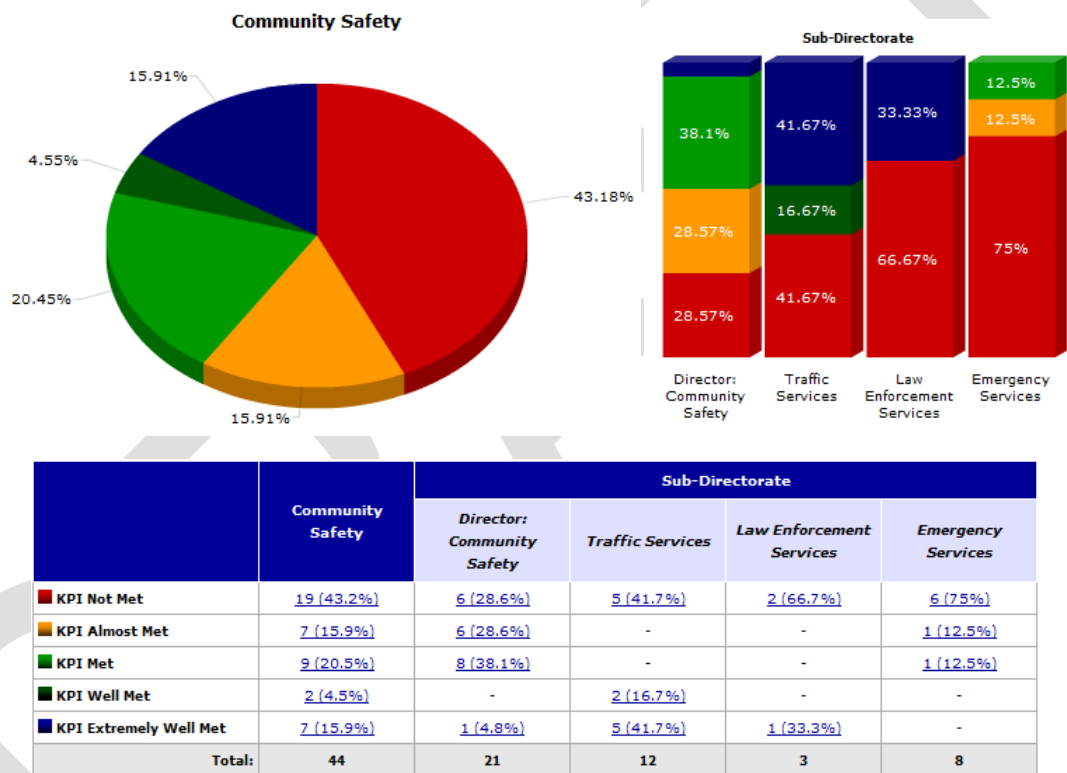
Graph 6: Financial Services performance per sub-directorate

3.8.4 COMMUNITY SAFETY

Community Safety consists of the following divisions:

- Director: Community Safety
- Traffic Services
- Law Enforcement Services
- Emergency Services

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Community Safety directorate in terms of the municipal SDBIP performance management system:



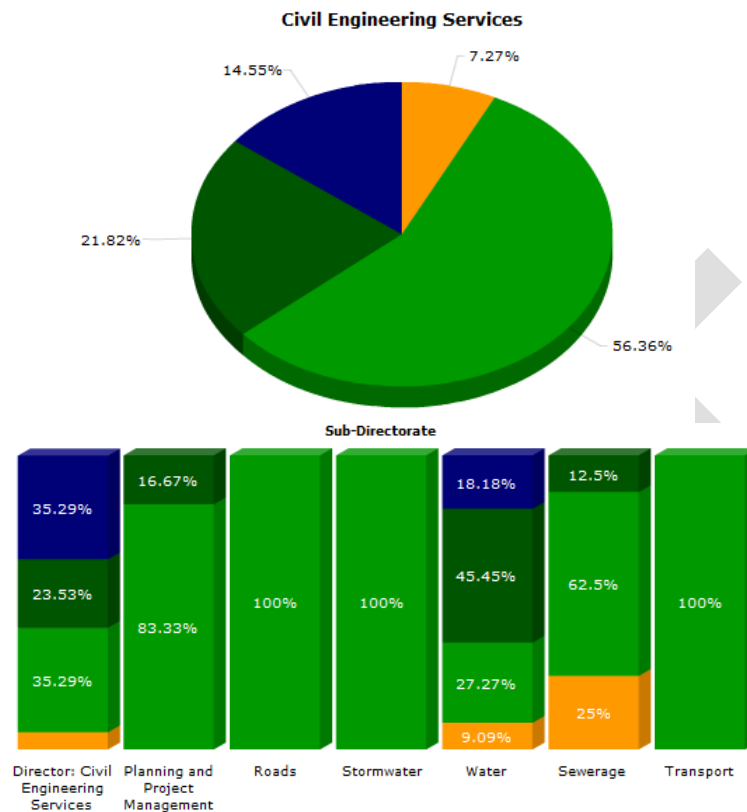
Graph 7: Community Safety sub-directorate performance






3.8.5 CIVIL ENGINEERING SERVICES

Civil Engineering Services consists of the following divisions:

- Director: Civil Engineering Services
- Planning and Project Management
- Roads
- Stormwater
- Water
- Sewerage
- Transport

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Civil Engineering Services directorate in terms of the municipal SDBIP performance management system:



	Civil Engineering Services	Sub-Directorate						
		Director: Civil Engineering Services	Planning and Project Management	Roads	Stormwater	Water	Sewerage	Transport
 KPI Not Met	-	-	-	-	-	-	-	-
 KPI Almost Met	4 (7.3%)	1 (5.9%)	-	-	-	1 (9.1%)	2 (25%)	-
 KPI Met	31 (56.4%)	6 (35.3%)	10 (83.3%)	2 (100%)	4 (100%)	3 (27.3%)	5 (62.5%)	1 (100%)
 KPI Well Met	12 (21.8%)	4 (23.5%)	2 (16.7%)	-	-	5 (45.5%)	1 (12.5%)	-
 KPI Extremely Well Met	8 (14.5%)	6 (35.3%)	-	-	-	2 (18.2%)	-	-
Total:	55	17	12	2	4	11	8	1

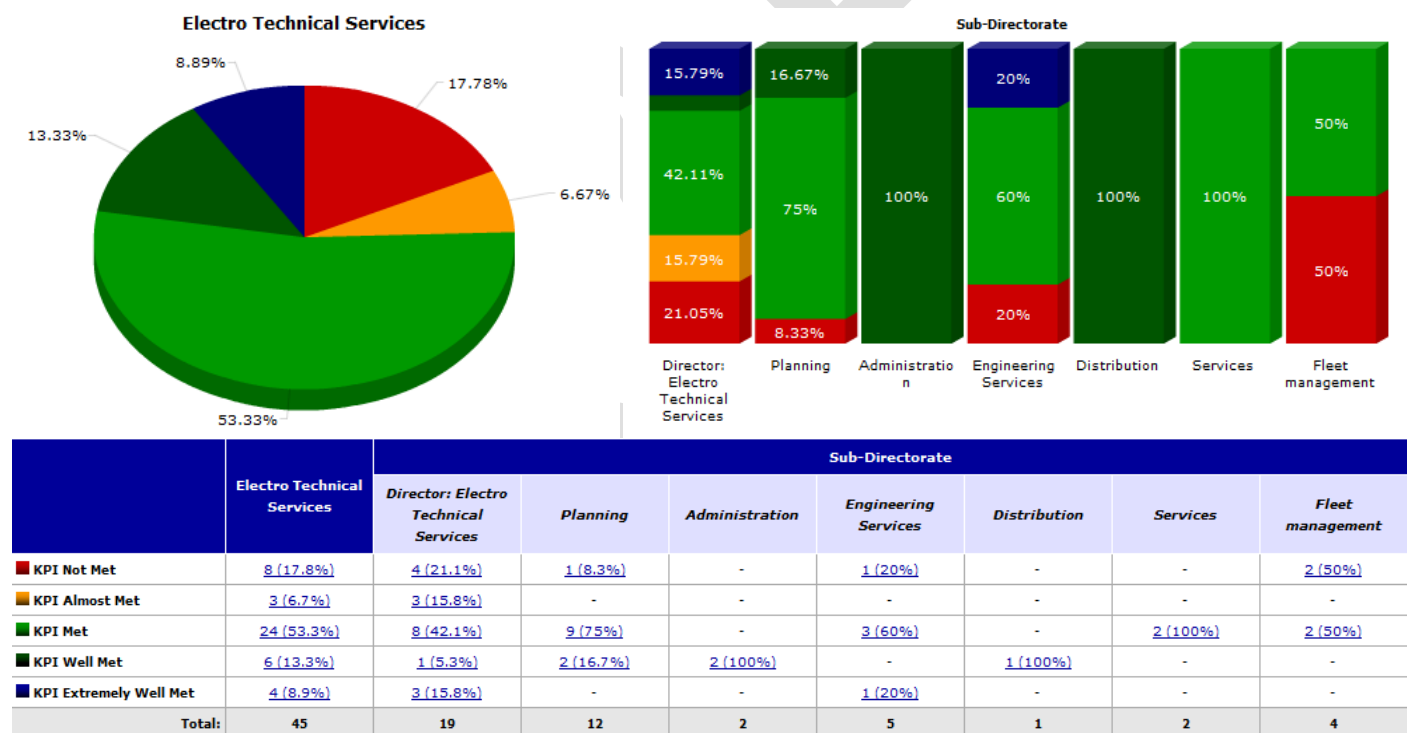
Graph 8: Civil Engineering Services performance per sub-directorate

3.8.6 ELECTRO TECHNICAL SERVICES

Electro Technical Services consists of the following divisions:

- Director: Electro Technical Services
- Planning
- Administration
- Engineering Services
- Distribution
- Services
- Fleet management

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Electro Technical Services directorate in terms of the municipal SDBIP performance management system:



Graph 9: Electro Technical Services performance per sub-directorate

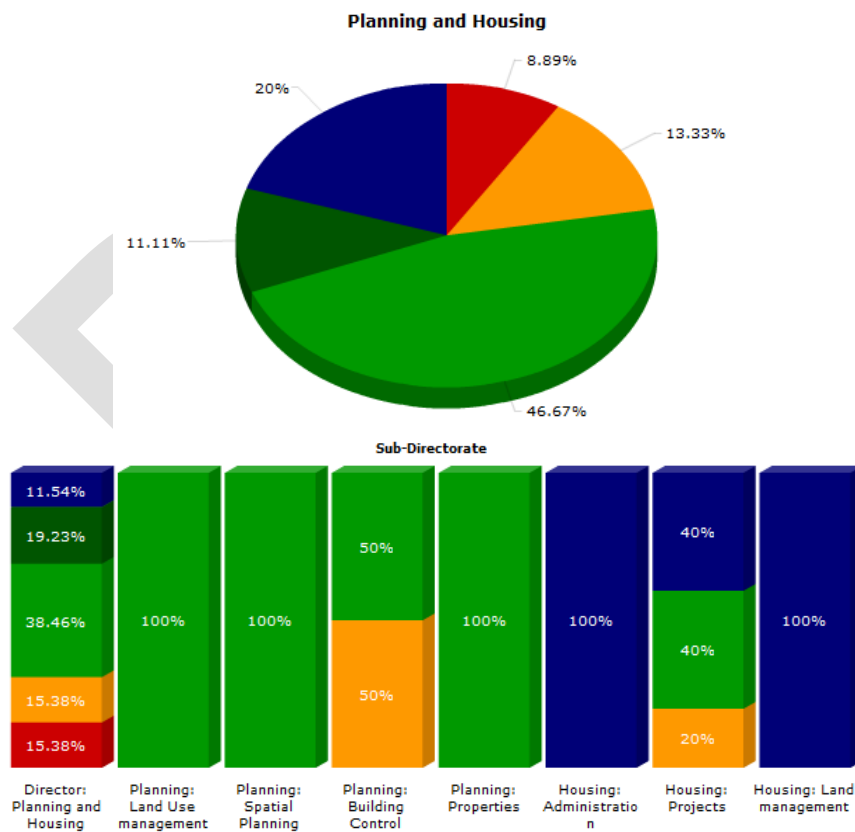
Note: The reasons for KPI's not met does not emanate from targets not being achieved but is attributed to various system related factors, e.g. Duplications and discrepancies/misrepresentations on the reporting system, detailed explanations herein provided on pages 107 and 1110. All the targets have thus been met.

3.8.7 PLANNING AND HOUSING

Planning and Strategic Services consists of the following divisions:

- Director: Planning and Housing
- Planning: Land use management
- Planning: Spatial planning
- Planning: Building control
- Planning: Properties
- Housing: Administration
- Housing: Projects
- Housing: Land management

The following graph indicates the performance of the various sub-directorates within Planning and Housing directorate in terms of the municipal SDBIP performance management system:



	Planning and Housing	Sub-Directorate							
		Director: Planning and Housing	Planning: Land Use management	Planning: Spatial Planning	Planning: Building Control	Planning: Properties	Housing: Administration	Housing: Projects	Housing: Land management
KPI Not Met	4 (8.9%)	4 (15.4%)	-	-	-	-	-	-	-
KPI Almost Met	6 (13.3%)	4 (15.4%)	-	-	1 (50%)	-	-	1 (20%)	-
KPI Met	21 (46.7%)	10 (38.5%)	1 (100%)	5 (100%)	1 (50%)	2 (100%)	-	2 (40%)	-
KPI Well Met	5 (11.1%)	5 (19.2%)	-	-	-	-	-	-	-
KPI Extremely Well Met	9 (20%)	3 (11.5%)	-	-	-	-	1 (100%)	2 (40%)	3 (100%)
Total:	45	26	1	5	2	2	1	5	3

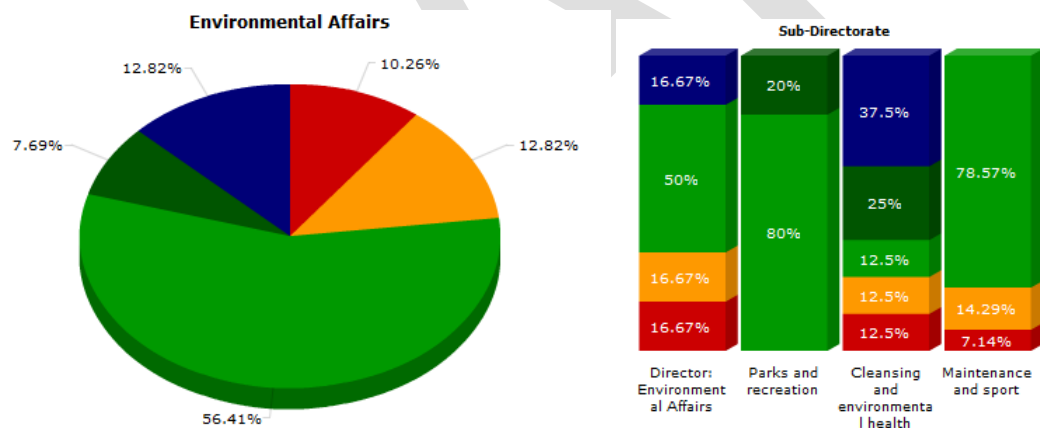
Graph 10: Planning and Housing sub-directorate performance

3.8.8 ENVIRONMENTAL AFFAIRS

Environmental Affairs consists of the following divisions:

- Director: Environmental Affairs
- Parks and recreation
- Cleansing and environmental health
- Maintenance and sport

The following graph indicates the performance of the various sub-directorates within Environmental Affairs directorate in terms of the municipal SDBIP performance management system:



	Environmental Affairs	Sub-Directorate			
		Director: Environmental Affairs	Parks and recreation	Cleansing and environmental health	Maintenance and sport
KPI Not Met	4 (10.3%)	2 (16.7%)	-	1 (12.5%)	1 (7.1%)
KPI Almost Met	5 (12.8%)	2 (16.7%)	-	1 (12.5%)	2 (14.3%)
KPI Met	22 (56.4%)	6 (50%)	4 (80%)	1 (12.5%)	11 (78.6%)
KPI Well Met	3 (7.7%)	-	1 (20%)	2 (25%)	-
KPI Extremely Well Met	5 (12.8%)	2 (16.7%)	-	3 (37.5%)	-
Total:	39	12	5	8	14

Graph 11: Environmental Affairs sub-directorate performance

COMPONENT A: BASIC SERVICES

This component includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.9 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA& INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011/12
Basic Service Delivery		
The number of households earning less than R 1 100 per month with access to free basic services	14 410	16 357
The percentage of households with access to basic level of water	100	98.88
The percentage of households with access to basic level of sanitation	100	99.00
The percentage of households with access to basic level of electricity	85.5	87.7
The percentage of households with access to basic level of solid waste removal	100	100
Local economic development		
The number of jobs created through municipality's local economic development initiatives including capital projects	Information not available	2 272 – EPWP projects

Table 98: National KPIs – Basic Service Delivery and Local Economic Development

Note: The percentages in the table above shows percentages of erven within the urban edge areas.

3.10 WATER PROVISION

George Municipality is performing very well with regard to drinking water quality management to the extent the George water supply systems were awarded Blue Drop status by DWA for their 2012 assessment. The municipality's overall Blue Drop score was 98.12%, which placed the municipality in 2nd position in the Western Cape Province and in 7th position nationally. The municipality also received the Best Team Performance award.

The Master Plans for the municipality's water supply systems are updated on a quarterly basis and all upgrades

planned are in line with the current master planning. The Bulk Resources are sufficient to ensure growth and development can be accommodated and purification capacity is adequate.

3.10.1 SERVICE STATISTICS – WATER SERVICES

Below is totals per Sector usage:

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2010/11	0	0	1 534 020	4 660 459	2 605
2011/12	0	0	1 751 886	5 580 310	2 522

Table 99: Total use of water by sector (cubic meters)

The George Municipality's raw water sources are the Garden Route (Swart River) with a pumping scheme on the Kaaimans River that discharges into the Garden Route Dam. Filtrate from the Ultra Filtration plant situated at the Outeniqua WwTW discharges into the Garden Route Dam. A pumping scheme on the Malgas River (DWA water use license submitted in 2008 and still outstanding) discharges directly into the balancing dams at the water purification works. Various boreholes have been drilled and approximately 1,7Ml/day of ground water is available for use. The Touw River supplies the Wilderness WTW, and raw water from the Haarlem Dam and the Holdrif River supply the towns of Haarlem and Uniondale respectively. The water is treated according to SANS 241:2011 at the Old and New George WTWs, Wilderness WTW, Uniondale WTW and Haarlem WTW. The water distribution systems consists of 860km of pipeline varying from 50mm to 1000m in diameter, 28 water pump stations, 40 reservoirs and 3 water towers.

3.10.2 WATER SERVICE DELIVERY LEVELS

Below is a table that specifies the different water service delivery levels per households for the financial years 2010/11 and 2011/12:

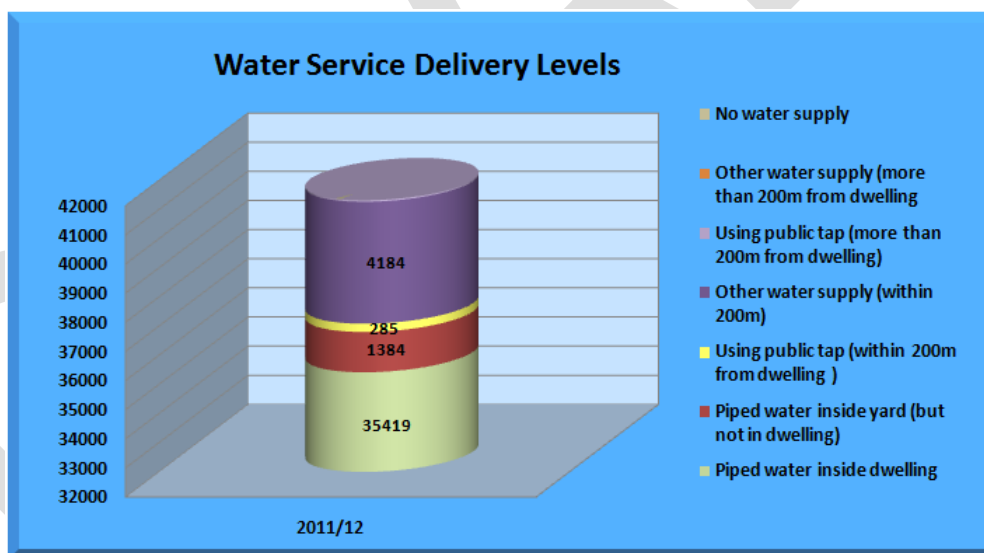
Description	2011/12
	Actual
<u>Household</u>	
<u>Water: (above minimum level)</u>	
Piped water inside dwelling	35 419
Piped water inside yard (but not in dwelling)	1 384
Using public tap (within 200m from dwelling)	285
Other water supply (within 200m)	4 184

Description	2011/12
	Actual
Household	
<i>Minimum Service Level and Above Sub-total</i>	41 272
<i>Minimum Service Level and Above Percentage</i>	99.88
<u>Water:</u> (below minimum level)	
Using public tap (more than 200m from dwelling)	50
Other water supply (more than 200m from dwelling)	0
No water supply	0
<i>Below Minimum Service Level Sub-total</i>	50
<i>Below Minimum Service Level Percentage</i>	0.12
Total number of households (formal and informal)	41 322

Table 100: Water service delivery levels

Note: Previous figures were based on the total number of consumers, the figure has been corrected and now only includes the total number of households.

The graph below shows the different water service delivery levels per total households and the progress per year:



Graph 12: Water Service Delivery Levels

3.10.3 TOTAL EMPLOYEES – WATER SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				
0 - 3	17 – 15	2	2	2	0	0
4 - 6	14 – 12	1	4	2	2	50
7 - 9	11 – 8	7	11	7	4	36
10 - 12	7 – 5	30	56	31	26	46
13 - 15	4 – 2	37	78	39	39	50
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		77	151	81	71	47

Table 101: Employees: Water Services

3.10.4 CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	2011/12		
	Budget	Adjustment Budget	Actual Expenditure
R'000			
Water Purification	17 500	12 977 (9 740-GR Dam)	2 936
Water Networks	23 316	15 470	15 070

Table 102: Capital Expenditure 2011/12: Water Services

For the 2011/12 financial year, the original budget was adjusted downwards for various financial reasons. Of the funding made available the Water Networks budget achieved a 98.4% spending. R17 500 000 was approved on the original budget for the raising of the garden route dam. However, even though a water use license application was submitted to the DWA in 2008, and the record of decision has been issued by the DEADP, no license approval has been received and construction cannot commence until a license has been issued.

3.11 WASTE WATER (SANITATION) PROVISION

George Municipality is performing very well with regard to wastewater quality management, to the extent that the George drainage systems were awarded Green Drop Status by DWA for their 2011 assessment. The municipality's overall Green Drop score was 91.0%.

The Master Plans for the municipality's wastewater systems are updated on a quarterly basis and all upgrades planned are in line with the current master planning.

The sewer reticulation system consists of 835km of pipeline varying from 50mm to 1000mm in diameter and 106 sewer pump stations. The wastewater is treated at the Outeniqua, Gwaiing, Herolds Bay, Breakwater Bay, Kleinkrantz, Uniondale and Haarlem WwTW. The Uniondale WwTW is currently being upgraded to address future growth needs, accommodate the 184 low cost housing units and improve the quality of effluent discharged to comply with DWA standards. Bulk sewer upgrades and new infrastructure is currently under construction to accommodate the approx 5000 new UISP erven to be provided in Thembaletu

3.11.1 SANITATION SERVICE DELIVERY LEVELS

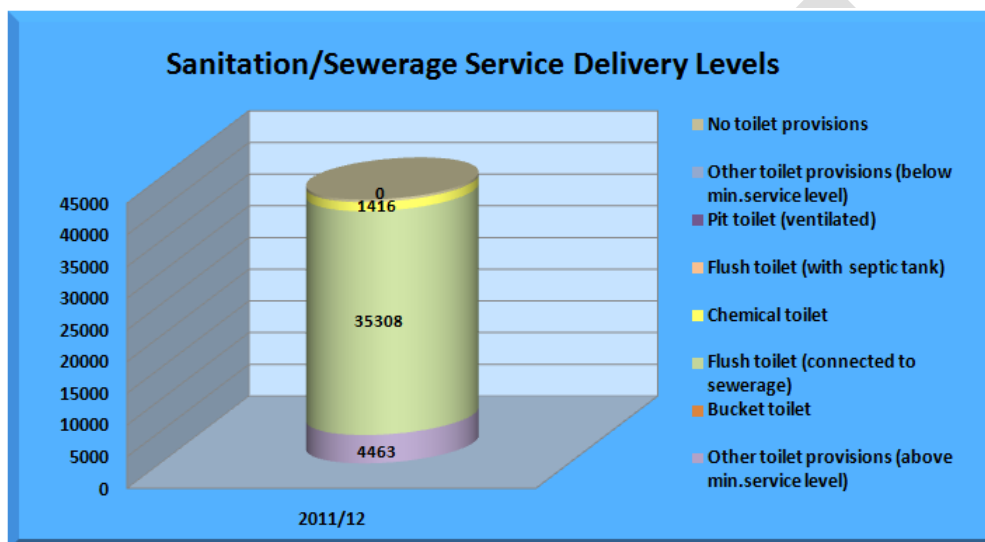
Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2010/11 and 2011/12:

Description	2011/12
	Actual
Household	
<u>Sanitation/sewerage:</u> (above minimum level)	
Flush toilet (connected to sewerage)	35 308
Flush toilet (with septic tank)	Included above
Chemical toilet	1 416
Pit toilet (ventilated)	Included above
Other toilet provisions (above minimum service level)	4 463
Minimum Service Level and Above Sub-total	41 187
Minimum Service Level and Above Percentage	99.00
<u>Sanitation/sewerage:</u> (below minimum level)	
Bucket toilet	0
Other toilet provisions (below minimum service level)	0
No toilet provisions	414
Below Minimum Service Level Sub-total	414
Below Minimum Service Level Percentage	1.00
Total number of households	41 601

Table 103: Sanitation service delivery levels

Note: Previous figures were based on the total number of consumers, the figure has been corrected and now only includes the total number of households.

The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 13: Sanitation Service Delivery Levels

3.11.2 TOTAL EMPLOYEES – SANITATION SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	1	1	1	0	0
4 - 6	14 – 12	3	4	3	1	25
7 - 9	11 – 8	3	9	3	6	67
10 - 12	7 – 5	30	62	30	32	52
13 - 15	4 – 2	34	71	34	37	52
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		71	147	71	76	52

Table 104: Employees Sanitation services

3.11.3 CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	2011/12		
	Budget	Adjustment Budget	Actual Expenditure
R'000			
Sewerage Networks	18 931	21 141	21 129
Sewerage Treatment Works	17 232	9 171	9 525

Table 105: Capital Expenditure 2011/12: Sanitation Services

The original budgets were adjusted downwards due to various financial reasons. Spending of funding made available on the budget was 100%

3.12 ELECTRICITY

Electricity has become one of the most debated commodities due to the abnormally high Eskom increases that are carried over to municipal consumers. On average, the price of electricity has risen with nearly 100% over the last four years and has had an enormous impact on the economy of the city. The affordability of electricity at these high tariffs versus the use of other forms of energy and the use of renewable energy has had a major negative effect on our income derived from the sale of electricity.

In addition to the above, electricity is also seen as one of, if not the largest, industrial contributors to the degeneration of the Ozone layer, necessitating Local Government to start projects that will ensure a "Greener" environment. This can only be achieved by way of very expensive technologies, which pushes up the price of energy generation and distribution even further.

Recent legislation includes the Electricity Amendment Acts 1989, 1994, 1995, and the Electricity Regulation Act 2006.

On the provision of electricity at household level and the progress being made to redress service backlogs and achieve the National basic standard for Electricity provision by 2014, George has done well, with less than 4935 informal households still to be electrified. These areas will be electrified in terms of the municipalities Informal Settlements Master plan that is managed by the Human Settlements and the availability of funds. Electrification of informal areas is on-going due to the high influx of new residents into the George's informal areas. The Rosedale housing development was electrified and over 900 homes received electricity for the first time. 50 kWh of Free Basic Units of electricity per month is supplied to all registered indigent consumers.

Eskom supplies electricity to many of the rural areas within the municipal boundaries. The main Eskom supply to George has been upgraded in terms of our Master Planning to provide sufficient electricity to the City and surrounds.

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Eskom Supply Points	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
George	80MVA to 85MVA	-3.65%	77 206MVA
Wildeness	5MVA	-0,04%	4 994MVA
Uniondale	1,5MVA	New supply	1 4MVA

Table 106: Electricity Notified Maximum Demand

The Uniondale district area was taken over by George municipality at the beginning of the financial year and negotiations with NERSA (National Energy Regulator of South Africa) to incorporate the Uniondale area of supply into the George area of supply was concluded successfully. The Schaapkop substation came on line in April and the George Notified Maximum Demand was split into two components. The old Eskom Blanco supply point was allocated 60MVA and the Schaapkop substation 25MVA to total 85 MVA.

The Energy Losses (technical and non-technical) for the 2011/2012 financial year was **5.74%**. The national norm is between 10 to 12%. The losses at George are very low and this outstanding performance can only be attributed to the excellent management of the municipal metering systems. Most of the large consumer's electricity meters have been replaced with AMR (automatic meter reading) meters. These meters communicate directly with the municipal offices through a GPRS system to provide accurate readings and prevents tampering and theft.

The table below indicates the different service delivery level standards for electricity within the Municipality and includes informal areas:

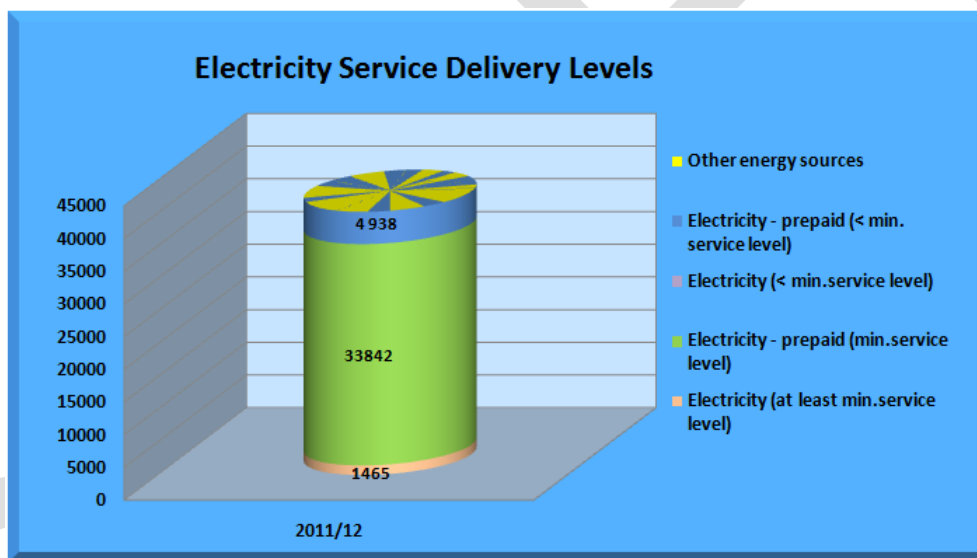
3.12.1 ELECTRICITY SERVICE DELIVERY LEVELS

Description	2011/12
	Actual
Household	
<u>Energy:</u> (above minimum level)	
Electricity (at least minimum service level)	1 465
Electricity - prepaid (minimum service level)	33 842
<i>Minimum Service Level and Above Sub-total</i>	35 307
<i>Minimum Service Level and Above Percentage</i>	87.7%
<u>Energy:</u> (below minimum level)	

Description	2011/12
	Actual
Household	
Electricity (< minimum service level)	0
Electricity - prepaid (< min. service level)	4 938
Other energy sources	0
<i>Below Minimum Service Level Sub-total</i>	4 936
<i>Below Minimum Service Level Percentage</i>	12.3
Total number of households	40 245

Table 107: Electricity Service Delivery Levels

Below is a table that specifies the different electricity service delivery levels per households for the financial years 2010/11 and 2011/12:



Graph 14: Electricity Service Delivery Levels

3.12.2 TOTAL EMPLOYEES – ELECTRICITY SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	5	6	5	1	16.67
4 - 6	14 – 12	12	19	11	8	42.11
7 - 9	11 – 8	38	45	35	10	22.22

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
10 - 12	7 – 5	56	90	55	35	38.89
13 - 15	4 – 2	13	14	10	4	28.57
19 - 20	Undefined	0	0	0	0	0
Total		124	174	116	58	33.33

Table 108: Employees Electricity services

3.12.3 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Expansion of 66KV main network	R30m	R27,7m	R26,81m	-3%	R26,81m
Energy management	R4,5m	R0,45m	R0,25m	-44%	R0,25m
Control protection and communication	R0,4m	R0,315m	R0,307m	-2%	R0,307m
Replacement of obsolete 11KV switchgear & equipment	R1,250m	R2,037m	R2,493m	-12%	R2,493m
Upgrading of obsolete low voltage network cables	R0	R0	R0	0%	R0
Electrification	R20,99m	R7,269m	R5,805m	-20%	R5,805m
Equipment	R0,160m	R0,162m	R0,152m	-6%	R0,152m
Upgrading and extension of buildings	R0,06m	R0,03m	R0,0297m	-2%	R0,0297m
Fleet management	R1,3m	R0,3m	R0,231m	-23%	R0,231m
Streetlights	R0,450m	R0,352m	R0,336m	-4%	R0,336m

Table 109: Capital Expenditure 2011/12: Electricity Services

During this financial year the Electricity department concentrated on the establishment of a new 132/66kV substation, renewal and/or upgrading of some old equipment and the electrification of housing projects. The downturn in the economy caused the reduction of funds for capital projects. No external borrowing was made and the approved loan for capital projects was not taken up. Under spending of capital (% variances) were due to funds not being available or funds made available very late during the financial year that resulted in certain projects being down scaled or cancelled. However, total expenditure amounted to 92.9% of the allocated budget.

3.13 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

George Municipality maintain the national standard of one refuse collection per household per week. All waste is taken to a transfer station where it is compacted in huge containers and transported to PetroSA in Mosselbay. A total of ± 31 000 tons were transported to PetroSA during the year.

The Municipality also has a blue bag system for recyclables such as paper, tin, glass and plastic. A total of ± 1200 tons was recycled during 2011. Green waste and builder's rubble are received at a landfill site which was developed for that purpose. This landfill site has reached full capacity and provision was made for the erection of a compost facility in 2013.

One of the biggest problems that the municipality experience is illegal dumping in the different neighbourhoods. The municipality has appointed a number of community based contractors each with seven workers to clean the streets by collecting all rubbish in black bags which is then transported to the transfer station.

A project coordinator was appointed two years ago to educate the children and the public not to participate in unlawful dumping but rather to utilise the service of the municipality.

3.13.1 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS

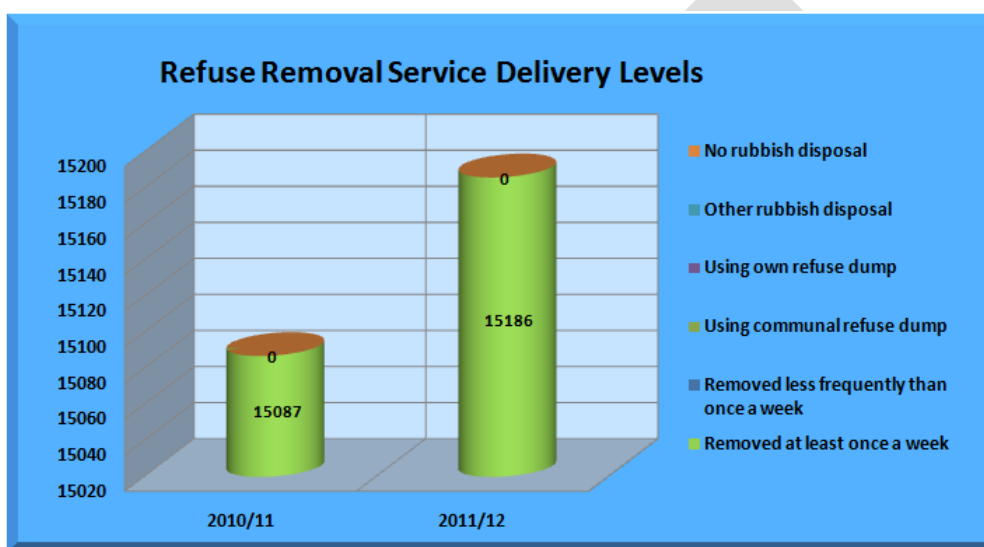
The table below indicates the different refuse removal service delivery level standards **within the urban edge area** of the Municipality:

Description	2010/11	2011/12
	Outcome	Actual
Household		
<u>Refuse Removal:</u> (Minimum level)		
Removed at least once a week	39 000	43 000
<i>Minimum Service Level and Above Sub-total</i>	39 000	43 000
<i>Minimum Service Level and Above Percentage</i>	100	100
<u>Refuse Removal:</u> (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level Sub-total</i>	0	0
<i>Below Minimum Service Level percentage</i>	0	0

Description	2010/11	2011/12
	Outcome	Actual
Household		
Total number of households	39 000	43 000

Table 110: Refuse removal service delivery levels

The graph below shows the different Refuse Removal service delivery levels per total households and the progress per year:



Graph 15: Refuse Removal Service Delivery Levels

3.13.2 TOTAL EMPLOYEES – SOLID WASTE SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	89	89	89	0	0.00
7 - 9	11 – 8	8	19	8	11	57.89
10 - 12	7 – 5	19	19	19	0	0.00
13 - 15	4 – 2	4	5	4	1	20.00
16 - 18	Undefined	1	3	1	2	66.67
19 - 20	Undefined	0	0	0	0	0.00
Total		121	135	121	14	10.37

Table 111: Employees Refuse Removal services

3.13.3 CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
240 Litre wheelie bins	1 000	0	0	1 000	1 000

Table 112: Capital Expenditure 2011/12: Waste Management Services

3.14 HOUSING

Since the 1990s there has been a significant influx of people to the Southern Cape and specifically to George. The present waiting list numbers 18 977 whilst in the 24 informal areas we have more than 4 355 families living there. The shortage of housing is therefor increasing annually.

The following table shows the **increase** in the number of people on the housing waiting list. There are currently approximately **18 977** applicants on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase
2010/11	16 091	-
2011/12	18 977 (Uniondale and Haarlem included)	17.9%

Table 113: Housing waiting list

3.14.1 TOTAL EMPLOYEES – HOUSING

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	0	0	0	0	0.00
4 - 6	14 – 12	11	35	15	20	57.14
7 - 9	11 – 8	22	65	26	39	60.00
10 - 12	7 – 5	10	17	10	7	41.18
13 - 15	4 – 2	1	1	1	0	0.00
16 - 18	Undefined	0	0	0	0	0.00

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
19 - 20	Undefined	0	0	0	0	0.00
Total		44	118	52	76	55.93

Table 114: Employees - Housing

3.14.2 CAPITAL EXPENDITURE – HOUSING

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Thembaletu Community Hall	2 550	1 777	1 785	765
Parkdene Crèche	2 160	1 173	1 124	1 036

Table 115: Capital Expenditure 2011/12: Housing

A total amount of **R 72 363 798** were allocated to build houses and to purchase land during the 2011/12 financial year under review, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2010/11	87 049	63 322	73	343	Not applicable
2011/12	72 364	65 875	91	961	Not applicable

Table 116: Housing

3.15 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R 4 000** per month will receive the free basic services as prescribed by National policy, in terms of George Municipality's indigent policy.

3.15.1 ACCESS TO FREE BASIC SERVICES

Free Basic Services To Low Income Households									
Year	Number of households								
	Total	Households earning less than R 3 500 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2010/11	14 410	14 410	100	14 410	100	14 410	100	14 410	100
2011/12	16 357	16 357	100	16 357	100	16 357	100	16 357	100

Table 117: Access to Free Basic Services

An application for indigent subsidy must be completed by all consumers who qualify in terms of George's Indigent Policy. The approval of the application for subsidy is subject to certain criteria as per the policy.

Services subsidised are:

- Water- Basic charge + 6kl
- Electricity- basic charge + 70 kWh
- Sanitation- **basic 100 %**
- Refuse- **100 %**
- 100% Rebate on Rates / or Properties valued less than R100 000**
- Subsidy up to a maximum of R400 per month for basic services**

FREE BASIC SERVICES AND INDIGENT SUPPORT:

Grants received for the 2011/12 book year and specifically reserved for indigent households were **R 72 201 000** of which expenditure amounted to **R59 851 725**.

Indigent subsidy was also extended to service water leakages, sewerage blockages, and PPM installations, and transfer costs to indigent households.

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			(R'000)			(R'000)			(R'000)

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			(R'000)			(R'000)			(R'000)
2010/11	14 410	70	645	21 660	20	382	0	0	0
2011/12	16 357	70	849	19 713	20	42	0	0	0

Table 118: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			(R'000)			(R'000)
2010/11	14 410	6	120	21 660	6	180
2011/12	16 357	6	144	19 713	6	174

Table 119: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			(R'000)			(R'000)
2010/11	14 410	129.60	1 868	0	0	0
2011/12	16 357	137.37	2 247	0	0	0

Table 120: Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			(R'000)			(R'000)
2010/11	14 410	1	1 478	0	0	0
2011/12	16 357	1	1 778	0	0	0

Table 121: Free basic Refuse Removal services to indigent households per type of service

COMPONENT B: ROAD TRANSPORT

This component includes: roads, transport, and waste water (storm water drainage).

George Municipality is responsible for the planning of and maintenance of proclaimed main roads, municipal streets and establishing transportation infrastructure for the transport of goods and commuters. The NLTA places the responsibility for the provision of public transport with the local municipalities.

3.16 ROADS

Maintenance and rehabilitation priorities are determined by means of a pavement management system, based on the condition of the road, and the implementation of these priorities are subject to Council approval of adequate funding. The main challenges to overcome, which will significantly improve service delivery, are the difficulty in procurement of services and adequate funding.

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

3.16.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km tar roads maintained
2010/11	384	1	4.8km	384
2011/12	404	0	0	404

Table 122: Tarred (Asphalted) roads

3.16.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2010/11	85.6	0	1	85.6
2011/12	114.6	0	0	114.6

Table 123: Gravelled roads

3.16.3 CAPITAL EXPENDITURE – ROAD SERVICES

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Roads Reseal	5 000	5 000	5 000	0	5 000
Upgrading Makazha street	2 000	2 000	2 000	0	2 000

Table 124: Capital Expenditure 2011/12: Road Services

3.16.4 COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New	Gravel – Tar / Block paving	Maintained	New (Tar & Block paving)	Re-worked	Maintained
	R'000					
2010/11	0	500	598	0	0	5 650
2011/12	0	2 000	551	0	0	6 590

Table 125: Cost of construction/maintenance of roads

The road infrastructure network is one of the largest assets of GM. The condition and maintenance thereof as well as the construction of new road and transport infrastructure, impacts directly on the safety of all road users , modes of transport and indirectly on local economic development.

3.17 PUBLIC TRANSPORT

The George Integrated Public Transport Network aims to transform the current mini-bus taxi industry to a company that will be contracted by the George Municipality to provide a public transport service to the community of George. The government team (George Municipality and Western Cape Department Transport and Public Works) entered into negotiations with representatives of the local minibus taxi industry in November 2011. Negotiations have progressed steadily, but the implementation of the project is still dependent on the acquisition of the necessary funds

3.18 WASTE WATER (STORM WATER DRAINAGE)

The department undertook a study of the condition of the storm water system. The operation of the storm water is conducted with the use of a management system which enable the planning and maintenance section to locate shortcomings. This enables this section to do efficient maintenance on the storm water network.

3.18.1 STORM WATER INFRASTRUCTURE

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km Storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2011/12	382km	2.5km	0.5km	385km

Table 126: Storm water infrastructure

3.18.2 CAPITAL EXPENDITURE – STORM WATER SERVICES

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Concrete Canals and Drains	1 000	0	1 000	0	0
Upgrading Network :Stormwater and Roads	2 000	0	2 000	0	0

Table 127: Capital Expenditure 2011/12: Storm Water Services

3.18.3 COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water Measures		
	New	Upgraded	Maintained
	(R'000)		
2010/11	209	0	6 070
2011/12	1 000	2 000	6 650

Table 128: Cost of construction/maintenance of storm water systems

The projects were introduced to alleviate the flooding occurrences in residential areas. Further is continuous

upgrading being performed to replace defective infrastructure.

COMPONENT C: PLANNING AND DEVELOPMENT

The Department Planning include the following functions:

Development Management, Spatial Planning and Environmental Management, Building Control, and Property Management.

The main challenges experienced by the Department is as follows:-

- Acute shortage of planning staff with resulting inability to comply with statutory requirements and proactive development planning and facilitation
- Questionable credibility and/ or understanding of the planning function with broader community and resulting spiralling illegal land uses and unwise developments which undermines effective planning and sustainable development.
- Weak economic base and unsustainable development with spiralling infrastructure requirements and costly services which results in an unaffordable city with diminishing ability to render services.
- Historic planning context with segregated communities and an unequal space economy and access to opportunities which compromises the social wellbeing with high levels of relative poverty.
- Lack of shared institutional focus and priorities in accordance with challenges.

3.19 PLANNING OVERVIEW

The table below sets out the main elements of George **Planning Strategies**:

Number	Strategies of the planning department
1.	Create quality and safe living environments in support social wellbeing
2.	Ensure sustainable development to maintain the environmental integrity
3.	Undertake development planning to support and facilitate economic growth
4.	Develop an efficient and financial viable planning service
5.	Improve and maintain levels of service delivery and customer satisfaction
6.	Build an effective and efficient Department with motivated and competent staff.

Table 129: Planning Strategies

Applications for Land Use Development	
Applications received	359
Applications finalised	285
Applications completed: (decision communicated)	265
Applications still in process: (active applications)	222
Applications processed after 6 months or more	27
KPI calculation	90.5%
Breakdown of Land Use Applications July 2011 – June 2012	
Rezoning	26
Subdivision	19
Departure	187
Consent use	15
Removal of Restrictions	5
Structure Plan Amendments	3
Amendment of Conditions	3
Other	27
Total	285
OSCA Permits Issued	19

Table 130: Applications for Land use development and breakdown of Land use applications

Breakdown of Building Plan Approvals: July 2011 – June 2012		
Description	Total	Building Costs (R)
New Houses	77	66 033 500
Additions to Houses	449	102 628 620
New Town houses	106	128 700 000
Additions Town houses	44	5 708 000
New Flats	2	4 012 000
Additions Flats	1	56 000
New Businesses	5	57 972 500
Additions to Businesses	28	28 755 500
New Industries	9	31 673 000
Additions to Industries	26	23 484 000
New Churches	1	864 500
Additions to Churches	1	42 000
Additions to Restaurants	2	340 500
Addition to Schools	3	6 814 750
New Crèche	2	1 373 000

Breakdown of Building Plan Approvals: July 2011 – June 2012		
Additions to Crèches	2	484 000
Additions to Colleges	1	582 250
New Information Centre	1	720 000
Additions to Hotels	1	805 500
Additions to Retirement villages	1	948 000
Addition to Fire Station	1	58 500
Alterations	43	1 317 967
Total	806	464 003 587

Table 131: Breakdown of building plan approvals

Income from Building Plan Approvals July 2011 – June 2012	
Description	Income
Building plan fees	R 2 222 426,46
Builders Deposit	R 399 077,04
4 x Building plan fee - tariff	R 626 339,70
Copies, maps, approved building plan list	R 36 392,78
Search fee	R 2 495,38
Total	R 3 286 731

Table 132: Income from building plan approvals

Property Management July 2011 – June 2012	
Description	Income
Leasing of Council Owned Properties	R 808 983
Sales of 28 Council Properties	R 6 474 751
Total	R 7 283 734

Table 133: Property management

3.19.1 TOTAL EMPLOYEES – PLANNING

The table below indicates the number of employees within the planning department for the 2011/12 financial year:

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	4	6	4	2	33
4 - 6	14 – 12	3	9	3	6	66
7 - 9	11 – 8	9	22	9	13	59
10 - 12	7 – 5	2	9	2	7	77
13 - 15	4 – 2	0	0	0	0	0
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		18	47	18	29	61

Table 134: Employees: Planning

3.19.2 CAPITAL EXPENDITURE – PLANNING

The table below shows the progress on capital spending for the four largest capital projects within the planning department:

No capital budget allocated within the 2011/12 financial year

RENT PROJECTS

- The George Spatial Development Framework is in process for finalisation.
- Initiate Local Spatial Development Plan for the Gwailing Corridor
- Initiate study for the planning of social infrastructure for the George Municipal Area.
- Initiate a Heritage Inventory study
- Initiate the Land Use layout planning for the extension of the Pacaltsdorp Industrial Area
- Initiate the land use planning of the Metro Grounds

- Continue to finalise the George Integrated Zoning Scheme
- Initiate study for the Hans Moes Kraal Special Investment Zone Precinct Plan
- Continue with the planning for the development of the Garden Route Dam Property
- Finalise a Vacant Land Audit and initiate an implementation plan of the Vacant Land Audit.
- On-going updating of cadastral information data base, the electronic zoning information, and updating the zoning information register.

Implementation of the Collaborator workflow management system to track and administer all land use applications and building plan applications.

FUTURE PROJECTS

- Continue and Finalise all studies currently in process
- Initiate study for the CBD Boulevard Precinct
- Initiate a Local Spatial Development Plan for the former District Management Area.
- Initiate a study for the Urban Upgrading of Tembalethu.
- Revise all Draft Local Spatial Development Plans in accordance with approved SDF.
- Do audit on all planning policies and initiate revision of existing outdated policies or development of new policies.

3.20 LOCAL ECONOMIC DEVELOPMENT

George Municipality firmly takes a stance that it is not government, and in their specific case, local government's role to directly create jobs. The role of Local Government in Economic Development is to create an enabling environment for economic activity and growth. The execution of LED is a process, which takes numerous years to show tangible results in economic growth, especially considering the dysfunctional base from which George Municipality is currently building (pre 2010).

Reporting on "job creation" through LED Initiatives is limited to reporting on EPWP short term work opportunities created. The EPWP reporting and co-ordination is administered through the LED office.

2011/2012 was mainly a year aimed at understanding the local economy, re-planning and focussing municipal efforts

and mobilising private stakeholders to take up economic opportunity.

The table below gives a brief description of all the achievements within local economic development during the 2011/12 financial year:

Achievement/Highlight	Description
LED Maturity Assessment (November 2011)	First Municipality in Western Cape to be assessed against this now widely accepted analytical tool for LED Performance
Training in Economic Profiling (February 2012)	Capacity building for officials across various functional areas to allow the in-house development and maintenance of an Economic Development Profile. This is a crucial document to ensure a sound theoretical understanding of socio-economic conditions in the Municipal area. Having built the skills internally, this will result in significant cost saving in future as external service providers would not have to be appointed.
Execution of PACA (Participatory Appraisal of Competitive Advantage) and delivering new Economic Development Strategy (March 2012)	The IDC co-funded the execution of a PACA project, with the added outcome of developing an Economic Development Strategy (Genesis components). This was successfully executed between January and March 2012, with a new Economic Development Strategy adopted by Council in May 2012.
Execution of Business Retention & Expansion (BR&E) Survey focussing on CBD Based businesses	The need to support existing business as more effective means of job creation resulted in the execution of a BR&E survey amongst a representative randomly selected sample of CBD based business in June 2012. A full research report was produced, and all findings shared with the public. The survey aims to identify obstacles to and opportunities for growth – through the availability of the information the hope is that private sector will then pursue such opportunities.

Table 135: Achievements within local economic development

The table below gives a brief description of all the challenges within local economic development during the 2011/12 financial year:

Description	Actions to address
Limited Human Resources Capacity	A process has been initiated to allow for more HR Capacity through the possible expansion of the LED Organogram (adding of posts). The capacity building across various functional areas, e.g. Town Planning and IDP Departments also assists in better execution of Local Economic Development even though not seated within the LED Unit. In fact this capacity building is probably a more efficient way to build LED execution rather than purely creating more posts in the Unit.
Governance Structures not reflecting LED as Council priority	Initial discussions around the re-alignment of the organisational organogram have started, with recommendations that LED be moved into the office of the Municipal Manager.
Unrealistic expectations / incorrect understanding as to what the functions of LED is	The focus historically having been on small scale projects, with a strong social focus, the new approach to LED is a more market orientated, strategy driven one. This approach means

Description	Actions to address
	extensive communication and engagement is required, both internally and with external stakeholders, to clarify the role of the LED Office.

Table 136: Challenges within local economic development

In developing an effective approach to Local Economic Development, the George municipality has had a troubled history. The municipality has tried providing support and funding too many small projects, with little impact and success. Furthermore, the municipality's previous plans and strategies for local economic development were based on outdated statistics, and drawn up in a formulaic and lengthy format by consultants.

During 2011/2012 in the quest to reformulate the approach to LED, the unit began a structured approach to rebuild the LED delivery system. The municipality was the first in the Western Cape to participate in the LED maturity assessment process, which gave insight into how LED could be better implement. Things that stood out from the assessment of George were the lack of a system of LED governance that was truly inclusive of the most knowledgeable people in the local economy. A further challenge was the lack of credible economic data. As first intervention municipal officials were trained in the development of an economic profile for the George municipality using data that they had collected themselves.

Through the research the LED team was able to track the performance of the municipality over time. The results were surprising, and illustrated the importance of not basing economic strategy on outdated information or unsubstantiated assumptions. For example, at its best tourism only accounted for 8% of economic activity but has taken up much of the strategic energy of the municipality in the past. Employment and turn over from agriculture and forestry has been steadily declining and the manufacturing sector has stagnated. The strongest sector of the George economy, the financial and services sector is largely dependent on the success of the wider economy. Overall the economic profile shows a relatively "okay" picture, in the South African context, but with clear room for improvements.

The next major intervention was the development of a number of quick win economic interventions as well as a long term Strategy. This was done through a PACA project (Participatory Appraisal of Competitive Advantage), financially supported by the IDC. The result was a well consulted and widely supported Strategy, adopted by Council in May 2012.

The Strategy is designed around an understanding of existing economic activities, and a selection of a limited number of very specific focus areas in which a long term competitive position could be built and sustained over time.

The LED strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Strategic areas	Description
Seven key focus areas:	Key focus areas were arrived at through a) detailed desktop Economic Development Profile and b) PACA process including

Strategic areas	Description
<ol style="list-style-type: none"> 1. Call Centres & ICT related support 2. Berries 3. Vegetables 4. Dairy 5. Timber 6. Education 7. Hops Usage <p>These are unpacked in more detail in the Economic Development Strategy, also categorised as short, medium and long term focus areas.</p>	<p>one-on-one interviews and series of workshops with key industry role players.</p> <p>Focus areas are narrow (at a sub-sector) level, so as to ensure more detailed intervention design. These focus areas were arrived at based on existing economic activity coupled with the potential to build a lasting competitive position in the face of fiercely competitive local and international market forces.</p>

Table 137: LED Objectives and Strategies

As a second Phase to the Strategy process, a specific focus was on Retaining and Expanding existing businesses, as it is usually a cheaper and more successful approach to job creation. To this end a Business Retention and Expansion (BR&E) survey was conducted across a representative, randomly selected sample of business in the George CBD. The process was also designed to build local capacity to allow for future surveys to be conducted with minimum external (consultant) support.

The Economic Development Profile, Economic Development Strategy and BR&E Survey results are available on request from the Economic Development Unit, or can be downloaded from the Municipal website.

3.20.1 LED INITIATIVES

Attention is directed again at the opening paragraph under point 3.20 – LED interventions, actions and projects should be aimed at stimulating the economic playing field, and not to directly create jobs. 2011/2012 was also a transitional year, wrapping up a number of small scale initiatives emanating from previous years, whilst executing participatory processes to design a new Economic Development Strategy.

With a limited budget for LED Projects and only two officials in the Unit, implementation of the following projects took place, as set out in the table below (Excluding EPWP projects):

Description of project	Amount spent to date	Performance Highlights
Technology Expo (Technology for sustainability)	R 50 271	Hosted on 21 and 22 July 2012 in conjunction with NMMU George Campus. 15 Exhibitors, full day of talks with reputable speakers, 431 total visitors. A good turnout for a first time event.
Annual Art & Craft Showcase	R46 100	Annual event hosted from 27 – 29 October 2011, provides market access in Garden Route Mall to small craft produces who would not be able to access this

Description of project	Amount spent to date	Performance Highlights
		market place without support.
Entrepreneurs Event (Thembalethu)	R 16 724	Ekazi Kuier – Thembalethu Small Business Fair hosted on 7 & 8 October 2012, exposure and market platform provided to local Thembalethu Businesses.
LED Maturity Assessment (November 2011)	No cost	Initiative covered through mentorship agreement with Centre for LED (University of Johannesburg & DTI). Deliver LED Maturity Assessment baseline report.
Economic Development Profile – Quantitative Analysis Training	No cost	Course cost covered through mentorship agreement with Centre for LED (University of Johannesburg & DTI). Produced first full high quality Economic Development Profile for George Municipality in-house.
Competitiveness Initiative: Phase 1: Strategy Development through PACA process Phase 2: Business Retention and Expansion Survey (CBD)	Total cost: R395 000 IDC provided R240 000	Economic Development Strategy adopted by Council (May 2012). Action teams and Champions set up to execute quick win projects. BR&E Research Report presented to all business Stakeholders.
Furniture Industry Skills & Capacity Audit	R 40 000	Research report produced in partnership with SEDA Eden Branch
ICT Incubator Establishment	No Cost	Concept document produced in collaboration with private stakeholders. Feasibility study funded and executed through partnership with SEDA.
Marketing of George as Investment Destination	R 150 000	One year agreement with Trade Invest SA (monthly newsletter inserts to database of 40 000 active users) Sponsor pages and front cover logo space in Business Western Cape 2012.
Roll out of Economic Revitalisation Policy (Investment Incentives)	No direct cost	Approval of 7 applications for incentives, with two agreements signed with developers in this financial year (Nedbank Re-development and Thembalethu Shopping Mall).

Table 138: LED initiatives

The LED Unit is responsible for EPWP Administration and reporting whilst each Directorate has nominated EPWP Champions and Project Managers who are responsible for direct implementation and oversight. Reporting can be done in terms of person days created, work opportunities or full time equivalents (FTE's), the table below reflects all the work opportunities created for the municipal book year 2011/2012. It is important to note that due to the mismatch in financial years between National and Local government, reporting on EPWP numbers are rather

cumbersome. These figures below will thus not correspond to National Department of Public Works figures for their 2011/2012 financial year.

Figures are further presented in the three applicable sectors of EPWP, namely Infrastructure, Environmental and Social.

Infrastructure	Work opportunities			
	July – September 2011	October – December 2011	Jan – March 2012	April – June 2012
Infrastructure				
Stormwater Maintenance	119	119	119	119
Uniondale sewerage	0	0	0	57
UISP Project	25	30	36	43
Rectification Housing	19	19	40	40
Maintenance Servitudes	26	26	29	29
Electricity Rosedale	63			
Total	252	194	224	288
Environmental				
Cemetery Cleaning	18	18	18	18
CBD sidewalk cleaning	6	6	6	6
Residential cleaning	126	15	135	132
Total	150	149	159	156
Social				
Point Duty	30	30	30	30
Soup Kitchen	145	145	145	145
Total	175	175	175	175
Grand total	577	518	558	619
Total				2 272

Table 139: Job creation through EPWP* projects

3.20.2 TOTAL EMPLOYEES – LED

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				
0 - 3	17 – 15	0	0	0	0	0
4 - 6	14 – 12	0	2	0	2	100%
7 - 9	11 – 8	0	0	0	0	0
10 - 12	7 – 5	1	1	1	0	0
13 - 15	4 – 2	1	1	1	0	0
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		2	4	2	2	50%

Table 140: Employees: Local Economic Development

3.20.3 CAPITAL EXPENDITURE – LED

Local Economic Development, due to capacity constraints and lack of strategy prior to this year, did not plan or execute directly any capital projects. The aim is in future to play a role in project design and alignment of all municipal capital expenditure to LED objectives, but direct capital expenditure by the Unit is not foreseen.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.21 LIBRARIES

3.21.1 SERVICE STATISTICS - LIBRARIES

Type of service	2011/12
Libraries	
Number of Libraries	9 + 2 Depots
Library members	42 064
Books circulated	589 893
Exhibitions held	151
Internet access points	32
Children programmes	110
Visits by school groups	44
Book group meetings for adults	20
Primary and Secondary Book Education sessions	68

Table 141: Service Statistics - Libraries

3.22 CEMETERIES AND CREMATORIUMS

George Municipality has a total of 13 cemeteries to manage. They all add up to 46.3ha. Most of the cemeteries (nine) are in George with four in Uniondale – 110km away from George.

At present seven of the cemeteries are operational while the other 6 are maintained as if operational. Maintenance is done by four community contractors. During 2011 a total of ± 300 burials took place. The combined capacity allows for a window of about ten years. The possible expansion of the current cemeteries is reflected in the structural plan for George.

There is a privately owned cremation facility in George and it is found that there is an increase in the number of cremations each year (approximately 1000 in 2011).

3.23 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES— COMMUNITY DEVELOPMENT

3.23.1 SERVICE STATISTICS – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Type of service	2010/11	2011/12
Child Care, Aged Care, Social Programmes		
Veggie gardens established	223	300
Soup kitchens established or supported	130	133
Initiatives to increase awareness on child abuse	Puppet shows, Child Protection Week and 16 days of Activism. People reached: 369	Puppet shows, Child Protection Week and 16 days of Activism. Children reached: 610
Youngsters educated and empowered	Life skills Camp: Children attended: 20 Holiday Programs (x 2): Children attended: 100 Information sessions (includes Bursary, learnerships, employment opportunities, career guidance, First Aid SA Sport for Change, George Youth Development Council, Camps, Life skills): 2544 Careers Exhibitions: 350 Holiday Programme: 550 Youth Centre Walk-in's: 6000	Life skills Camp: Children reached: 20 a Holiday Programs(2): Children attended: 100 Information sessions (includes Bursary, learnerships, employment opportunities, career guidance, First Aid SA Sport for Change, George Youth Development Council): 1660 Careers Exhibitions: 665 Holiday Programme: 400 Youth Centre Walk-in's: 5000
Initiatives to increase awareness on disability	Outeniqua International Wheel Chair Challenge 870 participating Outeniqua Wheel Chair Challenge Schools Event 500 children Employment of people with disability seminar: 45 Employment Manuals for disabled people produced for all Directorates Deaf & Blind Day: 17 Job Shadow Project for Disabled: 6	Special disability focus at Women's Day event – 250 women Outeniqua Wheel Chair Challenge Schools Event 500 children Disability seminar Outeniqua International Wheel Chair Challenge 970 participating Input to George municipality disabled staff appointments Input to modification of George municipality buildings for access of people living with disability (PLWD) Input to modification of George Streets and pavements for mobility of PLWD "Loslitdag" disability awareness 3 Km fun

Type of service	2010/11	2011/12
		walk: 540 participants.
Initiatives to increase awareness on women	Women's Seminar: 400 attending "Burning lamps" Women's Seminar: 300 attending	Regular talks at community events: 450 reached Staff seminars 300 reached
Women empowered	Libere Foundation: Initiating empowerment of 30 Sewing Skills Workshop: 35 Foetal Alcohol Syndrome talks: 25	Support to Libere training programme 30 empowered. Assistance to APD Chips manufacturing project 5 empowered. Assistance to Noll pottery project 7 empowered.
Initiatives to increase awareness on HIV/AIDS	Education and Awareness: Door to door: 20 outreaches Risky Persons outreaches: 9 HCT campaigns: 25 People reached: 900 Tested HIV +: 17 Condom distribution : 69874 Treatment and Care: ARV Care program: 153 food vouchers People reached with clothing bank: 176 Seed packets distributed: 80	Education and Awareness: Risky Persons outreaches: 16 HCT campaigns: 38 People reached: 2003 Tested HIV +: 8 Condom distribution : 1800 Treatment and Care: ARV Care program: 87 food vouchers
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	Local Drug Action Committee, Consumer Education sessions People reached: 460	Consumer Education sessions
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	National Children's Day Children attended: 400 attended. Candlelight Memorial Services: People reached: 200 Khomanani Day: 100 World AIDS Day: 300 National Youth Day: 2800	Candlelight Memorial Services People reached: : 150 Khomanani Day: 30 World AIDS Day: 300 National Youth Day: 1200
Mandela Day	Homeless persons Outreach Persons reached: 53	AIDS Orphans outing to the Botanical Gardens: Children reached: 30

Table 142: Community Development STATS

3.23.2 TOTAL EMPLOYEES – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	1	1	1	0	0
4 - 6	14 – 12	1	1	0	1	100
7 - 9	11 – 8	4	4	4	0	0
10 - 12	7 – 5	7 (3 contract posts)	7 (3 contract posts)	7 (3 contract posts)	0	0
13 - 15	4 – 2	0	0	0	0	0
16 - 18		0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		13	13	12	1	7.7

Table 143: Employees - Child Care, Aged Care, Social Programmes

Note: these numbers include community halls, Thusong centres, swimming pools and sport grounds.

3.23.3 CAPITAL EXPENDITURE – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

A Policy for assistance to Pre-School Centres on Municipal Property was approved on 19 November 2008. A Budget of R50 000.00 was approved by Council for the 2012/2013 financial year, which was allocated for equipment for needy Pre-School within the boundaries of George Municipality. An amount of R 35 221, 20 was spent to date.

A Policy for the Management of Municipal Crèches was compiled and submitted to Council for approval.

The following equipment was purchased, as per the Policy for Assistance to Crèches:

Kleinkrantz Crèche:

Plastic Mugs - 30

Plastic bowls – 30

Mattresses – 30

Rosedale Crèche:

First Aid Kit – 1

Plastic Mugs – 30

Plastic bowls – 30

Plastic Chairs – 20

Plastic tables - 5

Pophuis Crèche:

Cot mattresses – 40

PlasticMugs – 30

Plastic bowls – 30

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control, biodiversity and landscape, and coastal protection.

Coastal Management is currently a new concept in the country with which the municipality must still start to deal with. Beaches are cleaned in a reactive manner as and when needed and protection services handle all the public behaviours, but there is currently not enough capacity to do this on a fulltime basis. Visits are seasonal and weather permitting. The Eden District Municipality in cooperation with the Provincial Government is in process to develop a coast management plan in terms of the Integrated Coastal Management Act. The Act also refers to a set of standard By-Laws and possible scheme regulations. This project will still take a while to be completed and is currently in the beginning phases. The Provincial Government has also appointed a service provider in terms of the Act to deal with the setback of lines. They must still start with work and Strategic Services will provide inputs in both the aforementioned projects such as inputs with regard to the setback lines for coastal developments within 100m from the high water mark.

Coastal management will have an impact on various functions within the municipality and there is currently not any personnel dedicated to this responsibility. The Coastal Management Plan that is currently in process to be developed will provide direction in this regard in the near future.

With regard to biodiversity, the Provincial Government is also in process to finalise the Environmental Management Plan for the George area

The Air pollution function is shared with the Eden District Municipality which creates a challenge regarding the split between responsibilities

3.24 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS, AND COASTAL PROTECTION

3.24.1 SERVICE DELIVERY STATISTICS - POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS, AND COASTAL PROTECTION

Performance indicators	2010/2011	2011/12
Noise nuisance complaints	14	21
Air pollution complaints	11	16
Complaints regarding overgrown erven	256	647
Number of complaints received	349	401
Number of complaints resolved	99.7%	100

Performance indicators	2010/2011	2011/12
Number of environmental sessions held	8	7
Uncontrolled dumping	14	122
Issuing of business & entertainment licences	35 applications 27 issued	21 applications 19 issued
Keeping of animals complaints	50	65
Pauper burials	25	9

Table 144: Environmental Protection performance indicators

3.24.2 TOTAL EMPLOYEES – POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS, AND COASTAL PROTECTION

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	No.	%
0 - 3	17 – 15	16	16	16	0	0
4 - 6	14 – 12	0	3	0	3	100
7 - 9	11 – 8	3	3	2	1	33
10 - 12	7 – 5	1	2	1	1	50
13 - 15	4 – 2	1	1	1	0	0
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		21	25	20	5	20

Table 145: Employees - Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, And Coastal Protection

COMPONENT F: SECURITY AND SAFETY

This component includes: Traffic, fire, disaster management, licensing and control of animals, and control of public nuisances, etc.

The aim of council is to ensure the safety of all residents and visitors in this municipal area through law enforcement. Currently municipal law enforcement officers work closely with SAPS to combat crime while the traffic law enforcement officers are assisting those agencies. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The willingness of the community to report crime assists the different law enforcement agencies tremendously in the fight against crime.

3.25 TRAFFIC AND LICENSING

Traffic law enforcement is to reduce the number of road accidents annually by 5% and furthermore to ensure a safe traffic flow. The aim is to bring all offenders of traffic violations to book to ensure safe roads. Speed measurements are important due to the fact that 90% of all accidents are caused by speeding. Second serious offence is driving under the influence of liquor due to the fact that the dragger breath alcoholised is not accepted evidence in South African courts. Scholar patrols are established to assist learners to cross roads to schools safely, while regular traffic patrols in residential areas reduce traffic accidents and traffic violations.

3.25.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Number of road traffic accidents during the year	397	400	377	100
Number of by-law infringements attended	2491	750	1162	750
Number of Traffic officers in the field on an average day	15	15	15	15
Number of Traffic officers on duty on an average day	15	15	15	15
Animals impounded	7	30	32	30
Motor vehicle licenses processed	92070	61000	79400	61000
Learner driver licenses processed	4176	4561	4021	5000

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
R-value of fines collected	R9 657 594.61	R10 500 000.00	R11 768 540.61	R13 250 000.00
Roadblocks held	67	56	39	120
Complaints attended to by Traffic Officers	376	390	345	300
Special Functions – Escorts	376	345	376	350
Awareness initiatives on public safety	340	321	350	700

Table 146: Service Statistics: Traffic Services

3.25.2 TOTAL EMPLOYEES – TRAFFIC SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	4	6	4	2	33.33
4 - 6	14 – 12	45	136	43	114	83.82
7 - 9	11 – 8	38	97	29	98	101.03
10 - 12	7 – 5	0	6	0	9	150.00
13 - 15	4 – 2	0	0	0	0	0
16 - 18	Undefined	0	1	0	1	100.00
19 - 20	Undefined	0	0	0	0	0
Total		87	246	76	224	91.06

Table 147: Employees – Traffic Services

3.25.3 CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	R				
Circle at vehicle testing ground	900 000	0	0	Amount taken off with Adjustment budget February	0
CCTV Cameras	0	4 000 000	3 341 826	(658 174)	3 341 826
Furniture & Fittings– COMSF	0	10 000	8 332	(1 668)	8 332
Scanners	80 000	0	0	Amount taken off with Adjustment Budget February	0

Table 148: Capital Expenditure 2011/12: Traffic Services

Due to a lack of sufficient CRR funding two projects had to be removed at the Adjustments budget. Spending on the CCTV Camera project and the furniture & fittings were within budget constraints. Permission was granted by the Provincial Department for a roll-over of excess funding to address specific needs.

3.26 FIRE AND DISASTER MANAGEMENT

The strive of this section is to save lives and to protect property. Awareness campaigns in informal areas did reduce the number of fires in those areas as well as the restructuring of shacks to ensure that fire fighting vehicles and fire fighter can reach those in need.

Immediate relief to victims of fires and flooding in the form of food parcels, blankets and emergency housing kids.

3.26.1 SERVICE STATISTICS – FIRE SERVICES

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Total fires attended in the year	415	Not applicable	543	Not applicable
Total of other incidents attended in the year	305	On demand	454	On demand
Average turnout time - urban areas	7 min	7 min	7 min	7 min
Average turnout time - rural areas	18 min	18 min	18 min	18 min

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Fire fighters in post at year end	20	20	19	24
Total fire appliances at year end	11	11	11	12
Average number of appliance off the road during the year	7	7	10	10
Total Operational call-outs	720	On demand	997	On demand
Reservists and volunteers trained	0	0	0	0
Awareness Initiatives on Fire Safety	5	3	3	5

Table 149: Service Data for Fire Services

3.26.2 TOTAL EMPLOYEES – FIRE SERVICES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	1	1	1	0	0
4 - 6	14 – 12	14	14	13	1	7.1
7 - 9	11 – 8	6	6	5	1	16.7
10 - 12	7 – 5	1	1	1	0	0
13 - 15	4 – 2	0	0	0	0	0
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		22	22	20	2	9.1

Table 150: Employees: Fire services

3.26.3 CAPITAL EXPENDITURE – FIRE SERVICES

Due to a lack of CRR funding no allocation could be made on the 2011/2012 budget year.

3.27 DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER

The challenges regarding disaster management are to assist victims of incidents immediately to provide emergency housing and food parcels when needed. The budget must address those needs. Challenges pertaining animals are the stray dogs that attacked the livestock of farmers and the lack of an animal pound. Law enforcement officers deals with illegal hawkers due to the fact that there is a shortage of legal hawking areas provided by Council. The Municipal By-laws must be amended do address those illegal car watchers and those other nuisances and then the appointing of additional law enforcement officers.

3.27.1 SERVICE STATISTICS – DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Illegal Hawkers	82	70	141	70
Illegal Car watchers	14	50	3	50

Table 151: Service Data for Disaster Management, Animal Licensing And Control, Control Of Public Nuisances, ETC

3.27.2 CAPITAL EXPENDITURE – DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Due to a lack of CRR funding no allocation could be made on the 2011/2012 budget year.

COMPONENT G: SPORT AND RECREATION

3.28 HOLIDAY RESORTS AND CAMPSITES

The George Municipality is responsible for the management and maintenance of one holiday resort in our municipal area, which is Heroldsbay which only makes provision for camping sites.

The main priority of the caravan park is for the guests to experience true hospitality and efficient client service. All of our resort is next to the beach, where the sheer natural beauty of the sea can be experienced.

Braai facilities, water taps and refuse bins are positioned at regular intervals at the campsite.

On arrival at the park we provide you with the necessary information including the rules and safety evacuation plan.

George manages four beaches namely Heroldsbay, Gwaing, Victoriabay, and Leentjiesklip in Wilderness. Beaches east of the Touwriver are managed by Sun parks. At Heroldsbay there is also a caravan park/ camping area with 42 stands. During Summer months the beaches and the caravan park are very popular amongst national and international tourists.

George Municipality has a total of 150 parks with a total of area of 200 ha. These parks are maintained on a regular basis (18 cutting cycles per year) by private contractors. Almost 50% of these parks have playing apparatus. These apparatus are vandalised on a continued basis costing the municipality approximately R150 000 per year to maintain these apparatus. Policy indicates that a Councillor must request the erection of a park or establishment thereof in consultation with the community.

3.28.1 SERVICE STATISTICS –HOLIDAY RESORTS AND CAMPSITES

Type of service	2010/11	2011/12
Holiday Resorts		
Number of Resorts	1	1
Number of complaints addressed – Name???	0	0
% Occupation for the year – Name???	100% (December – long waitlists) 1739 overnight stays for the year	100% (December – long waitlists) 1624 overnight stays for the year

Table 152: Service Statistics –Holiday Resorts and Campsites

3.28.2 TOTAL EMPLOYEES – HOLIDAY RESORTS AND CAMPSITES

Job Level	TASK Job Level	2010/11	2011/12			
		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number				%
0 - 3	17 – 15	4	4	4	0	0
4 - 6	14 – 12	0	0	0	0	0
7 - 9	11 – 8	1	1	1	0	0
10 - 12	7 – 5	0	1	0	1	100
13 - 15	4 – 2	0	0	0	0	0
16 - 18	Undefined	0	0	0	0	0
19 - 20	Undefined	0	0	0	0	0
Total		5	6	5	1	16.67

Table 153: Employees –Holiday Resorts

3.28.3 CAPITAL EXPENDITURE – HOLIDAY RESORTS AND CAMPSITES

No capital budget was allocated for Holiday resorts within the 2011/12 financial year.

3.29 GROUNDS AND SWIMMING POOLS

The George Municipality is responsible for the management and maintenance of 9 sport grounds in our municipal area.

It is the municipality's goal to create a healthy lifestyle for all our residents, by offering a wide range of well-maintained and managed sport facilities.

During August 2011 the municipality hosted the Outeniqua Wheel chair challenge which was attended by National and Inter National athletes.

George sport section hosts a variety of sports including soccer, rugby and swimming. Some of the main events held are the annual 12 hour marathon hosted by the cancer association.

George Municipality manages and maintains only one public swimming pool, which is Conville.

3.29.1 SERVICE STATISTICS SPORT GROUNDS AND SWIMMING POOLS

Type of service	2010/11	2011/12
Sport Grounds and Swimming Pools		
Number of Sport Grounds/fields	9	9
Number of Swimming Pools	1	1
Number of Stadiums	2	2

Table 154: Service Statistics Sport Grounds and Swimming Pools

3.29.2 CAPITAL EXPENDITURE –SWIMMING POOLS, STADIUMS AND SPORT GROUNDS

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R					
Pavilion Completion – Rosemoore	2 700 000	2 700 000	-	-	-
Infrastructure - Maraikamp	900 000	900 000	875698	302	876000

Table 155: Capital Expenditure 2011/12: Swimming Pools, Stadiums and Sport Grounds

3.30 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

Council only took full control over the Thembaletu Thusong Service Centre as from 1st October 2012 after Council took a resolution in May 2012 that George Municipality will take over the operational and infrastructural (maintenance) responsibilities of the said buildings.

Draft documentation in terms of budget, staff and operational requirements are still to be finalised.

During the 2011/12 financial year no funds were allocated to Thusong Service Centres.

3.30.1 CAPITAL EXPENDITURE – COMMUNITY HALLS, FACILITIES, THUSONG CENTRES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R				

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Thembaletu Community Hall	2 550 000	1 777 000	1 785 326	764 674
Parkdene Crèche	2 160 000	1 173 000	1 124 386	1 035 614

Table 156: Capital Expenditure 2011/12: Community halls, facilities, Thusong centres

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.31 FINANCIAL SERVICES

3.31.1 SERVICE STANDARDS – FINANCIAL SERVICES

Debt Recovery						
Details of the types of account raised and recovered	2011/12			2012/13		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
R						
Property Rates	127 788 417	117 390 771	92%	143 847 294	138 093 402	97%
Electricity - C	373 785 442	367 957 904	98%	408 871 403	396 605 261	97%
Water - C	66 392 721	54 749 475	82%	73 741 605	70 791 941	96%
Sanitation	52 175 972	51 972 149	100%	58 229 576	55 900 393	96%
Refuse	35 101 413	27 587 335	79%	38 932 074	37 764 112	97%
Other	331 094	317 850	96%	352 002	337 922	96%
<p><i>B – Basic, C- Consumption.</i></p> <p><i>The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.</i></p>						

Table 157: Service Standards for Financial Services

3.32 HUMAN RESOURCE SERVICES

3.32.1 TOTAL EMPLOYEES – CORPORATE SERVICES (ADMINISTRATION AND PROPERTY)

Job Level	TASK Job Level	2010/11	2011/12
		Employees	Employees
		Number	
0 - 3	1 - 3	24	24
4 - 6	4 - 8	45	45
7 - 9	9 - 13	24	25

Job Level	TASK Job Level	2010/11	2011/12
		Employees	Employees
		Number	
10 - 12	14 – 18	5	5
13 - 15	19 – 21	0	0
16 - 18	Senior Management	0	0
19 - 20	Undefined	0	0
Total		98	99

Table 158: Employees – Corporate Services (Administration and Property)

3.32.2 TOTAL EMPLOYEES – HUMAN RESOURCE SERVICES

Job Level	TASK Job Level	2010/11	2011/12
		Employees	Employees
		Number	
0 - 3	1 - 3	0	0
4 - 6	4 – 8	2	3
7 - 9	9 – 13	10	11
10 - 12	14 – 18	2	2
13 - 15	19 – 21	0	0
16 - 18	Senior Management	0	0
19 - 20	Undefined	0	0
Total		14	16

Table 159: Employees – Human Resource Services

3.32.3 CAPITAL EXPENDITURE – HUMAN RESOURCE SERVICES

The implementation of the Electronic leave system was implemented successfully which amounts to R 120 000 (vat excluded). HR services ensured the spending of 99% of the training and development budget.

3.33 LEGAL SERVICES

3.33.1 TOTAL EMPLOYEES – LEGAL SERVICES

Job Level	TASK Job Level	2011/2012
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		Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total)
		Number			%
0-3	17-15	0	0	0	0
4-6	14-12	1	1	0	0.00
7-9	11-8	1	0	1	100.00
10-12	7-5	14	6	8	57.14
13-15	4-2	3	0	3	100.00
16-18	Undefined	0	0	0	0.00
19-20	Undefined	0	0	0	0.00
Total		19	7	12	63.16

Table 160: Total Employees - Legal Services

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes the Annual Performance Scorecard Report for the current year.

3.34 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2012/13

The main development and service delivery priorities for 2012/13 forms part of the Municipality's top layer SDBIP for 2012/13 and are indicated in the table below:

3.34.1 DELIVER QUALITY SERVICES IN GEORGE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL7	Formal households with access to storm water services	% of households	All	75%
TL10	Integrated Transport Plan completed and submitted to Council by the end of May 2012	% completed	All	50%
TL8	Tarred roads resealed within budget availability	Km of roads resealed	All	5
TL1	Formal households with access to basic level of sewerage services	% of households	All	95%
TL2	Sewerage purified to requirements of SANS (Green Drop)	% compliance	All	90%
TL3	Formal households with access to basic level of water	% of households	All	95%
TL4	Limit water losses through network	% of losses	All	10%
TL5	Limit water losses through purification	% of losses	All	10%
TL6	Water purified to meet SANS requirements	% compliance	All	95%
TL9	Water Service Development Plan completed and submitted to Council by the end of May 2012	% completed	All	100%
TL14	Gender Development is based on a policy and the implementation of Awareness programmes ,events, projects, empowerment consultation forums to meet the municipal objective	consultation forums established	All	4
TL12	Gender Development is based on a policy and the implementation of Awareness programmes ,events, projects, empowerment consultation forums to meet the municipal objective	No of events	All	1
TL11	Gender Development is based on a policy and the implementation of Awareness programmes ,events, projects,	No of awareness programmes	All	2

Ref	KPI	Unit of Measurement	Wards	Annual Target
	empowerment consultation forums to meet the municipal objective			
TL15	Gender Development is based on a policy and the implementation of Awareness programmes ,events, projects, empowerment consultation forums to meet the municipal objective	No of meetings held & persons reached	All	4
TL13	Gender Development is based on a policy and the implementation of Awareness programmes ,events, projects, empowerment consultation forums to meet the municipal objective	No of projects implemented	All	4
TL22	monitoring and Support	Total meetings with management	All	12
TL19	Disability Development is based on a policy and the implementation of Awareness programs ,events, projects,	No consultation forums established.	All	5
TL18	Disability Development is based on a policy and the implementation of Awareness programs ,events, projects,	No of projects	All	3
TL16	Disability Development is based on a policy and the implementation of Awareness programs ,events, projects,	No of awareness programmes	All	3
TL17	Disability Development is based on a policy and the implementation of Awareness programs ,events, projects,	No of events	All	2
TL20	Disability Development is based on a policy and the implementation of Awareness programs ,events, projects,	No of meetings held & persons reached	All	4
TL21	monitoring and Support	Total crèches monitored	All	21
TL53	Electricity master plan updated and aligned with budget & IDP by the end of May	% aligned	All	95%
TL52	Limit electricity system losses	% losses	All	10%
TL54	Percentage of households in informal areas with access to basic level of electricity as planned by the Department of Planning and Housing (subject to availability of funds)	% of informal households with access as planned	All	21.80%
TL55	Percentage of new informal areas supplied with electricity as planned (subject to availability of funds)	% of informal households with supply	All	95%
TL10 6	Implementation of Integrated Human Settlement Strategy measured by the % implemented or % adherence to policy or no of projects complying with approved strategy by the end of June	Amount of subsidised funding secured (subject to the approval of funding from PGWC)	All	R 14,000,000

Table 161: Service Delivery Priorities for 2012/13 – Deliver quality services in George

3.34.2 GOOD GOVERNANCE IN GEORGE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL49	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	10
TL48	Creation of an effective institution with sustainable capacity	% Vacancy level as % of approved organogram (Budgeted)	All	25%
TL50	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	100%
TL46	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	100%
TL45	Implementation of the Employment Equity Act	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	8
TL64	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	All	15,788
TL65	Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per indigent household	All	50
TL66	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	All	15,788
TL67	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum (R) of free basic refuse removal per month per household	All	R 101.05
TL62	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	All	15,788
TL63	Provision of free basic sanitation in terms of the equitable share requirements	Quantum (R) of free basic sanitation provided per HH pm	All	R 130.14
TL74	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	1
TL70	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	2.6
TL68	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	17.1
TL69	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	13.2
TL72	Improved revenue collection	% Debt recovery rate	All	97%
TL75	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%
TL76	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL73	No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	No of Root causes addressed	All	4
TL78	Preparation and submit the draft main budget to council for approval	Compilation of draft main budget to Council	All	1
TL79	Preparation and submit the final main budget to council for approval	Compilation of final main budget to Council	All	1
TL71	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0
TL77	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0
TL60	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	All	35,853
TL61	Quantum of free basic water per household in terms of the equitable share requirements	Quantum (KI) of free basic water provided per household pm	All	6
TL81	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February	All	1
TL80	The main budget is approved by Council by the legislative deadline	Approval of Main Budget before the end of May	All	1
TL96	Annual report and oversight report of council submitted before the end of January & end of March respectively	Report submitted to Council	All	1
TL95	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	6
TL85	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	1
TL97	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	All	4
TL82	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	12
TL83	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per quarter	All	4
TL88	IDP and approved by the end of May	IDP approved by the end of May	All	1
TL84	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	100%
TL89	The IDP is comprehensive and complies with the requirements of the Systems Act	No of required Sectoral Plans included in the IDP	All	8

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL98	Risk based audit plan approved by June 2013	Plan approved	All	1
TL86	The municipality comply with all the relevant legislation	% compliance with laws and regulations	All	100%
TL87	IDP and Sectoral Plans aligned with Spatial development plan	% alignment	All	100%
TL99	Revision of disaster management plan by the end of May 2012 to ensure compliance with the necessary legislation	Plan revised	All	1
TL104	To provide a safe and healthy work environment to all employees	Ensure the attendance of scheduled departmental SHE meetings	All	8
TL103	To facilitate training and development of employees and Councillors	Number of staff attending training sessions per annum	All	16
TL102	Ability and commitment to implement all council resolutions within the required legislative framework	% Of applicable council resolutions implemented by the department	All	98%
TL101	Effective response to all queries raised in the audit report and manage departmental budget	% of Operating budget spent (excluding votes managed by Finance Department and grant funding)	All	90%
TL100	Effective response to all queries raised in the audit report and manage departmental budget	% of Capital budget spent less savings	All	90%

Table 162: Services Delivery Priorities for 2012/13 –Good Governance in George

3.34.3 GROW GEORGE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL37	Implementation of Special Events	No. of consultation sessions held	All	1,000
TL36	Implementation of Special Events	No. of Special Events	All	2
TL35	Implementation, support and monitoring of Peer Educators Programme	No. of persons reached	All	500
TL38	Provide support to Youth Development Programmes from Government and other Service Providers	No. of Programmes	All	16
TL23	Information sessions	People(total) reached	All	10,000
TL24	Information sessions	Sessions held(total)	All	120
TL51	Economic Development is driven by a strategy	Economic Development Strategy implementation - number of projects implemented	All	4
TL107	High Level Economic engagement with Public and Private Sector bodies, organisations and entities	Number of meetings attended	All	8

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL40	Number of people counselled by HIV counsellors	No. of consultation sessions held	All	200
TL39	Number of special events and health campaigns organise.	No. of events held	All	4
TL41	number of treatment and care projects	No of health campaigns held	All	50
TL43	number of treatment and care projects	No of people counselled	All	200
TL42	number of treatment and care projects	No. of people reached	All	2,000
TL44	number of treatment and care projects	Projects implemented	All	5
TL27	Establishment /monitoring of soup kitchens	Number of meals provided	All	319,000
TL28	Establishment /monitoring of soup kitchens	Total monitoring done	All	1,536
TL25	Establishment/monitoring of food gardens	No of food gardens established	All	120
TL26	Establishment/monitoring of food gardens	No of food gardens monitored	All	200
TL29	Quarterly local task team meetings	Meetings held	All	1
TL31	Quarterly local task team meetings	Development of Anti-poverty strategy	All	1
TL30	Quarterly local task team meetings	Quarterly reports	All	1
TL47	The number of job opportunities created through EPWP	Number of job opportunities (FTE's) created	All	168

Table 163: Services Delivery Priorities for 2012/13 –Grow George

3.34.4 KEEP GEORGE SAFE AND GREEN

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL59	Environmental health information sessions held for the public to inform and educate	Number of sessions	All	8
TL58	Increase overnight stays at Herolds Bay camp site	Number of overnight stays	All	1,200
TL57	Household refuse collected (transfer station)	Tons of refuse collected	All	31,000

Table 164: Services Delivery Priorities for 2012/13 - Keep George Safe and Green

3.34.5 PARTICIPATE IN GEORGE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL34	Implementation, support and monitoring of the functioning of the George Youth Development Council	Number of meetings held	All	12
TL32	Implementation/ support and monitoring through awareness, education, training &	Number of sessions held	All	60

Ref	KPI	Unit of Measurement	Wards	Annual Target
	skills development sessions			
TL33	Implementation/ support and monitoring through awareness, education, training & skills development sessions	People reached	All	500
TL92	Effective communication with communities	Development of an all inclusive external and internal communication policy by 2012/2013 Financial Year	All	1
TL90	The municipality listens and talks back to its people by ensuring that the IDP is consulted with all wards	No of ward committees consulted	All	25
TL93	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per annum	All	25
TL91	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	All	25
TL94	To determine citizen satisfaction	Citizen satisfaction survey conducted by December annually	All	1
TL105	Process 80% of all complaints received within 7 working days after being reported	% implementation	All	80%

Table 165: Services Delivery Priorities for 2012/13 –Participate in George

CHAPTER 4: ORGANISATIONAL DEVELOPMENT

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA& INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011/12
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	1	0
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	99	59

Table 166: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The George Municipality currently employs **983 (excluding non-permanent positions)** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.3 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

4.3.1 EMPLOYMENT EQUITY

			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
3	0	0	4	1	0	0	0	0	2	3	0

Table 167: 2011/12 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
5	4	0	4	0	0	0	0	0

Table 168: 2011/12 EE targets/actual by gender classification

4.3.2 OCCUPATIONAL CATEGORIES – RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	8	12	0	11	10	6	0	2	49
Professionals	0	1	0	4	0	0	0	0	5
Technicians and associate professionals	3	15	0	16	0	4	1	7	46
Clerks	5	28	1	18	8	18	0	7	85
Service and sales workers	8	40	0	9	20	72	0	25	174
Craft and related trades workers	13	37	0	7	9	20	0	3	89
Plant and machine operators and assemblers	67	100	0	22	9	25	1	6	230
Elementary occupations	107	101	0	1	33	63	0	0	305
Total permanent	211	334	1	88	89	208	2	50	983
Non- permanent	23	39	0	19	14	38	0	6	139
Grand total	234	373	1	107	103	246	2	56	1122

Table 169: Occupational Categories

4.3.3 OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	3	0	0	0	0	4
Senior management	0	0	0	2	0	0	0	1	3
Professionally qualified and experienced specialists and mid- management	3	14	0	17	0	4	1	5	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	22	76	1	30	17	45	1	22	214
Semi-skilled and discretionary decision making	97	136	0	26	37	116	0	27	439
Unskilled and defined decision making	86	106	0	1	30	55	0	1	279
Total permanent	208	333	1	79	84	220	2	56	983
Non- permanent employees	23	39	0	19	14	38	0	6	139
Grand total	231	372	1	98	98	258	2	62	1 122

Table 170: Occupational Levels

4.3.4 DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	1	0	0	1	0	5	0	2	9
Financial Services	7	29	0	8	13	31	0	21	109
Planning and Housing	3	21	0	8	3	14	0	4	53
Corporate and Social Services	13	23	0	6	20	57	0	9	128
Community Safety	15	39	0	10	10	36	0	11	121
Environmental Affairs	62	62	0	9	12	20	0	1	166
Electro Technical Services	27	29	1	26	12	19	1	4	119
Civil Engineering Services	80	130	0	11	14	38	1	4	278
Total permanent	208	333	1	79	84	220	2	56	983
Non- permanent	23	39	0	19	14	38	0	6	139
Grand total	231	372	1	98	98	258	2	62	1 122

Table 171: Department - Race

4.4 VACANCY RATE

The approved organogram for the municipality had **1 899** posts for the 2011/12 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **915** Posts were vacant at the end of 2011/12, resulting in a vacancy rate of **48.18%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
Top Management	4	5
Senior Management	3	0
Middle management	44	35
Skilled	214	270
Semi-Skilled	439	413
Unskilled	279	192
Total	983	915
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Municipal Manager	9	25
Financial Services	109	46
Planning and Housing	53	66
Corporate and Social Services	128	127
Community Safety	121	152
Environmental Affairs	166	73
Electro Technical Services	119	146
Civil Engineering Services	278	281
Total	983	915

Table 172: Vacancy rate per post and functional level

4.5 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an **increase** from **3.64%** in 2010/11 to **4.27%** in 2011/12.

The table below indicates the turn-over rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2010/11	934	7	34	3.64%

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2011/12	983	51	42	4.27%

Table 173: Turnover Rate

4.6 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.6.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an **increase** for the 2011/12 financial year from **252** employees injured against **203** employees in the 2010/11 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2010/11	2011/12
Office of the Municipal Manager	2	6
Financial Services	9	10
Planning and Housing	8	4
Corporate and Social Services	22	14
Community Safety	27	40
Environmental Affairs	40	50
Electro Technical Services	20	32
Civil Engineering Services	75	96
Total	203	252

Table 174: Injuries

4.6.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2011/12 financial year shows an **increase** when comparing it with the 2010/11 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2010/11	2011/12
Office of the Municipal Manager	68	86
Financial Services	1044	964
Planning and Housing	311	491
Corporate and Social Services	772	1365
Community Safety	1339	1210
Environmental Affairs	1004	1016
Electro Technical Services	1000	1064
Civil Engineering Services	2160	2124
Total	7 698	8 320

Table 175: Sick Leave

4.6.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Appointment Policy	29 August 2012
Acting Policy	29 November 2012
Overtime Policy	29 November 2012
Placement Policy	29 November 2012
Succession and Career Path Policy	29 November 2012
Training and Development Policy	29 November 2012
Scarce Skills and Staff Retention Policy	March 2008
Experiential Policy	29 November 2012
Internal Bursary Policy	March 2010
External Bursary Policy	March 2010
Personal Protective Equipment Policy	29 November 2012
Motor Vehicle Policy	29 August 2012

Table 176: HR policies and plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.6.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) The annual report for the financial year under review has been tabled and adopted by the municipal council,
- (2) an evaluation of performance in accordance with the provisions of regulation 23, and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 that received performance rewards for the 2010/11 financial year. The 2011/12 financial year's performance bonuses will only be awarded after the annual report was tabled:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	0
	Male	0	0	0
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	2	2	100
White	Female	0	0	0
	Male	3	3	100
Disability	Female	0	0	0
	Male	0	0	0
Total		5	5	100

Table 177: Performance Rewards

4.7 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.7.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Legislators	Female	18	18
	Male	31	31
MM and Directors	Female	0	0
	Male	4	5
Professionals	Female	3	1
	Male	15	5
Technicians	Female	24	17
	Male	18	10

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Community and Personal Service workers	Female	28	22
	Male	47	30
Clerical and Administrative Workers	Female	66	18
	Male	36	12
Machine operators and drivers	Female	32	13
	Male	135	39
Labourers	Female	62	7
	Male	87	48
Sub total	Female	233	96
	Male	373	180
Total		606	276

Table 178: Skills Matrix

The reason for the total identified group not being trained is that the HR development section depended on the LGSETA grants to fund training over and above our own training budget. Council however allocated the grants received as "income" and it was therefore not available for expenditure (spending).

The following training was provided for employees trained:

- Skills programs and other short courses
- Minimum competencies (MFMA regulations)
- Water learnerships
- Local Government Accounting certificate
- Local Government Advanced Accounting certificate
- Internal audit technician

4.7.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilisation and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
Legislators	Female	18	0	0	18	18	18	18	100
	Male	31	0	0	31	31	31	31	100
MM and S57	Female	0	0	0	0	0	0	0	0
	Male	5	0	0	5	5	5	5	100
Professionals	Female	12	0	0	1	3	1	3	66.67
	Male	34	0	0	5	15	5	15	66.67
Technicians	Female	33	2	0	15	24	17	24	29.17
	Male	52	0	0	10	18	10	18	44.44
Community and Service workers	Female	32	0	0	22	28	22	28	21.43
	Male	57	0	0	30	47	30	47	36.17
Clerical and Administrative Workers	Female	117	9	0	9	66	18	66	72.73
	Male	57	3	0	9	36	12	36	66.67
Machine operators and drivers	Female	41	0	0	13	32	13	32	59.38
	Male	189	22	30	17	105	39	135	71.11
Labourers	Female	96	0	0	7	62	7	62	88.71
	Male	209	0	0	48	87	48	87	44.83
Sub total	Female	349	11	0	85	233	96	233	58.80
	Male	634	25	30	155	344	180	374	51.87
Total		983	36	30	240	577	276	607	54.53

Table 179: Skills Development

4.7.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 178 500** were allocated to the workplace skills plan and that **59%** of the total amount was spent in the 2011/12 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R 230 098 122	R 178 500	R 105 726	59

Table 180: Budget allocated and spent for skills development

LGSETA requires all municipalities to submit a Workplace Skills Plan for the next financial year together with the annual training report for current financial year. George Municipality did submit the new WSP for 2012/2013 and Annual Training Report of 2011/ 2012 financial year.

4.8 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.8.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		%
2010/11	239 464	845 545	28.32
2011/12	262 748	939 312	27.97

Table 181: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2010/11	2011/12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<u>Councillors (Political Office Bearers plus Other)</u>				
Executive Mayor	441	394	394	395
Deputy Executive Mayor	268	312	312	331
Speaker	326	312	312	381
Chief Whip	0	0	0	204
Mayoral Committee Members	2 229	1 746	2 999	3 039
Councillors	3 560	4 108	4 708	4 808
Councillors' pension contribution	729	1 391	1 391	685
Travelling expenses	2 538	3 092	3 092	3 232
Cell phone expenses	516	652	652	684
Councillors' contribution to medical aid	84	906	906	108
Sub Total - Councillors	10 691	12 913	14 766	13 868
% increase/ (decrease)	-	20.78	14.35	-6.09
<u>Senior Managers of the Municipality</u>				
Annual Remuneration	4 518	7 700	7 700	3 046
Acting Allowance	2 148	20	20	1 446
Car Allowance	591	0	0	511
Settlement Payment	0	0	0	0
Bonus & Long Service Bonus	0	0	0	0
Performance Bonus	240	1 155	1 155	533
Contribution to UIF, Medical & Pension	658	0	0	595
Housing Subsidy	0	0	0	0
Telephone Allowance	0	0	0	0
Leave Pay-Out	307	0	0	0
Sub Total - Senior Managers of Municipality	8 462	8 875	8 875	6 131
% increase/ (decrease)	-	4.88%	0.00%	-30.92
<u>Other Municipal Staff</u>				
Basic Salaries and Wages(Excluding Senior Managers)	133 799	157 194	157 532	146 327
Long – service awards	1 039	1 060	1 060	1 383
Pension Contributions	20 353	23 163	23 163	22 385

Financial year	2010/11	2011/12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Medical Aid Contributions	8 655	13 022	13 022	9 840
Motor vehicle allowance	12 114	11 939	11 823	13 391
Cell phone allowance	0	0	0	0
Housing allowance	1 271	1 125	1 125	1 328
Overtime	13 775	8 578	13 146	16 666
Employee benefit obligations	17 731	0	0	18 919
Other benefits or allowances	11 574	6 363	6 288	12 512
Sub Total - Other Municipal Staff	220 311	222 444	227 159	242 748
% increase/ (decrease)	-	0.97%	2.12%	6.86%
Total Municipality	239 464	244 233	250 800	262 748
% increase/ (decrease)	-	1.99%	2.69%	4.76%

Table 182: Personnel Expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

Component A: Statements of Financial Performance

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Financial Performance						
Property rates	120 210	141 082	134 082	129 006	-9.36	-103.93
Service charges	454 505	604 395	582 840	527 786	-14.52	-110.43
Investment revenue	19 069	8 420	15 770	18 288	53.96	-86.23
Transfers recognised - operational	137 138	128 450	165 648	153 465	16.30	-107.94
Other own revenue	36 457	30 090	42 110	42 220	28.73	-99.74
Total Revenue (excluding capital transfers and contributions)	767 379	912 436	940 449	870 766	-4.79	-108.00
Employee costs	228 773	231 320	236 035	248 879	7.06	-94.84
Remuneration of councillors	10 691	12 913	13 966	13 868	6.89	-100.70
Depreciation & asset impairment	94 577	92 452	103 696	106 672	13.33	-97.21
Finance charges	53 170	59 085	57 242	57 217	-3.27	-100.04
Materials and bulk purchases	193 159	249 636	247 463	244 437	-2.13	-101.24
Transfers and grants	5 124	65 194	64 511	1 188	-5385.98	-5428.47
Other expenditure	260 050	254 597	271 180	267 050	4.66	-101.55
Total Expenditure	845 545	965 196	994 091	939 312	-2.76	-105.83
Surplus/(Deficit)	(78 166)	(52 759)	(53 642)	(68 545)	23.03	-78.26
Transfers recognised - capital	72 168	70 158	68 105	50 064	-40.14	-136.03
Contributions recognised - capital & contributed assets	11 555	5 892	5 892	12 149	51.50	-48.50
Surplus/(Deficit) after capital transfers & contributions	5 558	23 291	20 354	(6 332)	467.83	321.46
Share of surplus/ (deficit) of	0	0	0	0	0	0

Description	2010/11	2011/12			2011/12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
associate						
Surplus/(Deficit) for the year	0	0	0	0	0	0
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	136 635	162 912	133 325	109 695	-48.51	-121.54
Public contributions & donations	72 168	74 158	66 057	50 035	-48.21	-132.02
Borrowing	0	0	259	29	100.00	-883.81
Internally generated funds	47 704	53 770	20 326	20 291	-164.99	-100.17
Total sources of capital funds	16 762	34 984	46 683	39 340	11.07	-118.67
Financial position						
Total current assets	531 862	553 386	667 991	530 807	-4.25	-125.84
Total non-current assets	2 007 876	2 107 253	2 008 902	2 103 941	-0.16	-95.48
Total current liabilities	190 873	131 500	162 506	211 985	37.97	-76.66
Total non-current liabilities	627 256	617 572	570 866	609 802	-1.27	-93.61
Community wealth/Equity	1 721 609	1 911 567	1 943 521	1 812 961	-5.44	-107.20
Cash flows						
Net cash from (used) operating	182 201	100 824	190 553	126 538	20.32	-150.59
Net cash from (used) investing	(134 541)	(157 401)	(127 814)	(109 607)	-43.60	-116.61
Net cash from (used) financing	37 955	10 080	(29 920)	(30 526)	133.02	-98.01
Cash/cash equivalents at the year end	232 497	186 000	265 316	218 901	15.03	-121.20
Cash backing/surplus reconciliation						
Cash and investments available	232 497	186 000	265 316	218 901	15.03	-121.20
Application of cash and investments	150 190	0	0	153 957	100.00	0.00
Balance - surplus (shortfall)	82 307	186 000	265 316	64 944	-186.40	-408.53
Asset management						
Asset register summary (WDV)	2 004 421	0	0	2 101 041	100.00	0.00
Depreciation & asset impairment	94 577	92 452	103 696	106 672	13.33	-97.21
Renewal of Existing Assets	1 565	16 960	19 515	16 049	-5.68	-121.59
Repairs and Maintenance	55 364	65 113	56 741	52 814	-23.29	-107.44
Free services						
Cost of Free Basic Services provided	0	0	0	0	0	0
Revenue cost of free services	0	0	0	0	0	0

Description	2010/11	2011/12			2011/12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
provided						
Households below minimum service level						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0
Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

Table 183: Financial Performance 2011/12

The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R				R			
2010/11	944389	851103	93286	9.8	908485	845545	62940	6.9
2011/12	1014445	932980	81465	8	994091	939312	54779	6

Table 184: Performance against budgets

The actual revenue generated for 2010/2011 was 9.8% or R93.2 million less than budgeted and the actual revenue generated for 2011/2012 was 8 per cent or R81,4 million less than budgeted.

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote

Vote Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Vote6 - Executive and Council	58	26	26	1 681	98.45	98.45
Vote1 - Budget and Treasury Office	195 303	214 472	215 079	150 207	-42.78	-43.19
Vote4 - Corporate Services	7 873	2 136	2 382	9 850	78.31	75.82
Vote5 - Planning and Development	5 656	2 743	3 812	4 782	42.64	20.30
Vote2 - Public Safety	12 528	12 855	20 105	18 257	29.59	-10.12

Vote Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Vote2 - Health	78	0	71	72	100.00	1.46
Vote2 - Community and Social Services	1 882	2 617	2 837	2 052	-27.53	-38.23
Vote2 - Sport and Recreation	2 294	2 552	5 699	2 950	13.49	-93.19
Vote2 - Housing	73 351	50 120	79 330	71 531	29.93	-10.90
Vote3 - Waste Management	31 335	49 965	51 478	58 344	14.36	11.77
Vote3 - Road Transport	17 030	20 527	36 166	17 228	-19.15	-109.92
Vote3 - Waste Water Management	60 688	86 431	91 236	97 037	10.93	5.98
Vote3 - Water	116 675	130 772	114 281	111 534	-17.25	-2.46
Vote3 - Electricity	323 596	413 253	391 928	387 424	-6.67	-1.16
Vote3 - Environmental Management	2 755	16	16	30	46.64	46.64
Total Revenue by Vote	851 103	988 486	1 014 446	932 980	-5.95	-8.73

Table 185: Revenue by Vote

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	118 881	139 647	132 647	127 788	-9.28	-3.80
Property rates - penalties & collection charges	1 330	1 435	1 435	1 218	-17.85	-17.8
Service charges - electricity revenue	310 240	398 479	381 179	373 785	-6.61	-1.98
Service charges - water revenue	67 306	95 316	85 316	66 393	-43.56	-28.50
Service charges - sanitation revenue	46 462	62 118	66 155	52 176	-19.06	-26.79
Service charges - refuse revenue	30 484	48 472	49 830	35 101	-38.09	-41.96
Service charges - other	13	10	360	331	96.98	-8.73
Rental of facilities and equipment	1 829	1 800	1 870	2 103	14.41	11.08
Interest earned - external investments	14 773	5 250	11 750	14 715	64.32	20.15
Interest earned - outstanding debtors	4 296	3 170	4 020	3 573	11.28	-12.50
Dividends received	–	–	–	–	0.00	0.00
Fines	13 149	13 253	16 253	15 057	11.98	-7.95

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Licences and permits	2 106	2 184	2 184	2 451	10.89	10.89
Agency services	5 427	5 695	5 695	5 751	0.97	0.97
Transfers recognised - operational	137 138	128 450	165 648	153 465	16.30	-7.94
Other revenue	13 945	7 158	16 108	16 859	57.54	4.46
Gains on disposal of PPE	–	–	–	–	0.00	0.00
Total Revenue (excluding capital transfers and contributions)	767 379	912 436	940 449	870 766	-4.79	-8.00

Table 186: Revenue by Source

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Water	77 538	78 741	82 188	92 389	14.77	11.04
Waste Water (Sanitation)	54 246	53 244	53 878	75 231	29.23	28.38%
Electricity	268 241	329 930	325 845	309 095	-6.74	-5.42
Waste Management	35 732	35 677	38 657	46 385	23.09	16.66
Housing	80 304	65 851	89 751	85 012	22.54	-5.57%
Component A: sub-total	516 061	563 444	590 318	608 112	7.35	2.93
Waste Water (Storm water Drainage)	0	0	0	0	0.00	0.00
Roads	98 286	97 829	96 460	102 608	4.66	5.99
Transport	0	0	9 000	248	100.00	-3533.85
Component B: sub-total	98 286	97 829	105 460	102 856	4.89	-2.53
Planning	8 859	11 256	11 018	11 362	0.93	3.03
Local Economic Development	4 471	5 721	5 794	11 566	50.53	49.90
Component B: sub-total	13 329	16 977	16 812	22 928	25.95	26.68
Planning (Strategic &Regulatory)	0	0	0	0	0.00	0.00
Local Economic Development	0	0	0	0	0.00	0.00
Component C: sub-total	0	0	0	0	0.00	0.00

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Community & Social Services	16 456	18 181	19 521	16 276	-11.70	-19.94
Environmental Protection	6 880	3 484	3 470	8 003	56.47	56.64
Health	5 073	5 807	5 561	6 785	14.41	18.05
Security and Safety	40 433	39 481	42 492	56 302	29.88	24.53
Sport and Recreation	17 264	18 545	18 242	19 649	5.62	7.16
Corporate Policy Offices and Other	131 763	201 448	192 216	98 401	-104.72	-95.34
Component D: sub-total	217 868	286 946	281 502	205 417	-39.69	-37.04
Total Expenditure	845 545	965 196	994 091	939 312	-2.76	-5.83

Table 187: Operational Services Performance

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	111 369	130 772	111 534	114 281	-2.46
Expenditure:					
Employees	21 578	23 824	24 415	23 349	4.36
Repairs and Maintenance	5 149	10 143	8 188	4 885	40.34
Other	50 811	44 774	49 585	48 177	2.84
Total Operational Expenditure	77538	78741	82 188	76 412	7.03
Net Operational (Service)	33831	52 031	29 346	37870	-29.04

Table 188: Financial Performance: Water services

5.2.2 SANITATION SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	56 556	86 431	91 236	97 037	-6.36
Expenditure:					
Employees	15 227	16 166	16 263	16 741	-2.94
Repairs and Maintenance	13 656	13 150	13 019	14 453	-11.02
Other	25 363	23 928	24 606	28 599	-16.23
Total Operational Expenditure	54 246	53 244	53 888	59 794	-10.96
Net Operational (Service)	2 310	33 187	37 348	37 243	0.28

Table 189: Financial Performance: Sanitation services

5.2.3 ELECTRICITY SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	323 596	413 253	391 928	387 424	1.15
Expenditure:					
Employees	25 570	30 748	28 740	28 542	0.69
Repairs and Maintenance	5 943	9 338	5 878	4 122	29.87
Other	236 729	289 845	291 227	290 374	0.29
Total Operational Expenditure	268 241	329 930	325 845	323 039	0.86
Net Operational (Service)	55 355	83 323	66 083	64 385	4.25

Table 190: Financial Performance: Electricity services

5.2.4 WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	31 335	49 965	51 478	58 344	-13.34
Expenditure:					
Employees	12 173	12 926	13 563	14 489	-6.83
Repairs and Maintenance	1 065	1 524	1 767	1 872	-5.94
Other	22 495	21 227	23 317	26 368	-13.08
Total Operational Expenditure	35 732	35 677	38 647	42 729	-10.56
Net Operational (Service)	-4 397	14 288	12 831	15 614	-21.69

Table 191: Financial Performance: Waste Management Services (Refuse collections, Waste disposal, Street cleaning and Recycling)

5.2.5 HOUSING

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	73 351	50 120	79 330	71 531	9.83
Expenditure:					
Employees	7 922	8 248	8 617	9 179	-6.53
Repairs and Maintenance	2 457	1 044	1 499	1 130	24.59
Other	69 925	56 559	79 725	71 705	10.06
Total Operational Expenditure	80 304	65 851	89 841	82 015	8.71
Net Operational (Service)	-6 953	-15 731	-10 511	-10 484	0.26

Table 192: Financial Performance: Housing

5.2.6 ROADS SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	17 030	20 527	36 166	17 228	52.36
Expenditure:					
Employees	16 070	16 333	16 733	16 467	1.59
Repairs and Maintenance	20 004	21 434	17 300	18 812	-8.74
Other	61 890	60 062	71 323	62 708	12.08
Total Operational Expenditure	97 964	97 829	105 355	97 987	6.99
Net Operational (Service)	-80 933	-77 302	-69 189	-80 759	-16.72

Table 193: Financial Performance: Roads Services

5.2.7 TOWN PLANNING & SPATIAL PLANNING

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	5 656	2 743	3 812	4 782	-25.47
Expenditure:					
Employees	10 364	12 326	12 315	11 921	3.20
Repairs and Maintenance	11	32	25	12	51.07
Other	2 955	4 619	4 297	3 906	9.10
Total Operational Expenditure	13 329	16 977	16 637	15 839	4.79
Net Operational (Service)	-7 674	-14 234	-12 825	-11 057	13.79

Table 194: Financial Performance: Town Planning & spatial planning

5.2.8 CEMETERIES AND CREMATORIUMS

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	333	250	250	286	-14.53
Expenditure:					
Employees	711	828	846	809	4.36
Repairs and Maintenance	37	23	327	324	0.95
Other	593	448	883	879	0.47
Total Operational Expenditure	1 340	1 298	2 056	2 012	2.15
Net Operational (Service)	-1 007	-1 048	-1 806	-1 725	4.46

Table 195: Financial Performance: Cemeteries And Crematoriums

5.2.9 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES – COMMUNITY DEVELOPMENT

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	74	0	71	69	3.00
Expenditure:					
Employees	2 105	2 566	2 576	3 295	-27.91
Repairs and Maintenance	17	32	35	27	22.49
Other	2 196	2 433	2 354	2 214	5.96
Total Operational Expenditure	4 318	5 031	4 965	5 536	-11.50
Net Operational (Service)	-4 244	-5 031	-4 893	-5 466	-11.71

Table 196: Financial Performance: Child Care, Aged Care, Social Programmes – Community Development

5.2.10 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS, AND ENVIRONMENTAL PROTECTION

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	158	1	1	14	-1349
Expenditure:					
Employees	2 483	2 699	2 706	2 949	-9.00
Repairs and Maintenance	9	22	28	19	33.53
Other	4 388	763	736	748	-1.58
Total Operational Expenditure	6 880	3 484	3 470	3 716	-7.08
Net Operational (Service)	-6 722	-3 483	-3 469	-3 701	-6.69

Table 197: Financial Performance: Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, And Coastal Protection

5.2.11 SPORT AND RECREATION

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 294	2 552	5 699	2 950	48.24
Expenditure:					
Employees	4 338	5 146	4 774	4 737	0.78
Repairs and Maintenance	1 725	1 970	1 765	1 798	-1.85
Other	11 201	11 429	11 703	11 490	1.82
Total Operational Expenditure	17 264	18 545	18 242	18 025	1.19
Net Operational (Service)	-14 970	-15 993	-12 543	-15 075	-20.18

Table 198: Financial Performance: Sport and Recreation

5.2.12 PUBLIC SAFETY

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	12 528	12 855	20 105	18 257	9.19
Expenditure:					
Employees	27 158	28 123	29 249	28 670	1.98
Repairs and Maintenance	2 157	1 873	2 029	1 987	2.05
Other	11 117	9 485	11 342	11 474	-1.17
Total Operational Expenditure	40 433	39 481	42 620	42 131	1.15
Net Operational (Service)	-27 904	-26 626	-22 515	-23 874	-6.04

Table 199: Financial Performance: Fire Services

5.2.13 EXECUTIVE AND COUNCIL

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	58	26	26	1 680	-6 365
Expenditure:					
Employees	38 778	21 536	24 522	38 542	-57.18
Repairs and Maintenance	23	55	60	50	17.06
Other	5 634	5 620	4 367	4 825	-10.49
Total Operational Expenditure	44 434	27 211	28 948	43 417	-49.98
Net Operational (Service)	-44 376	-27 185	-28 922	-41 736	-44.30

Table 200: Financial Performance: Executive and Council

5.2.14 FINANCIAL SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	195 302	214 472	215 079	150 207	30.16
Expenditure:					
Employees	23 990	25 725	26 988	27 052	-0.24
Repairs and Maintenance	1 047	1 248	1 269	1 200	5.48
Other	22 941	97 923	91 256	31 476	65.51
Total Operational Expenditure	47 979	124 901	119 514	59 729	50.02
Net Operational (Service)	147 324	89 571	95 565	90 478	5.32%

Table 201: Financial Performance: Financial Services

5.2.15 HUMAN RESOURCE SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	524	520	520	1 294	-148.90
Expenditure:					
Employees	3 839	6 302	6 399	5 010	21.71
Repairs and Maintenance	0	90	9	5	45.71
Other	5 963	5 601	3 938	3 458	12.19
Total Operational Expenditure	9 803	11 912	10 346	8 473	18.11
Net Operational (Service)	-9 279	-11 392	-9 826	-7 178	26.95%

Table 202: Financial Performance: Human Resource Services

5.2.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	607	1 137	1 138	716	37.06
Repairs and Maintenance	367	1 150	745	360	51.65
Other	871	1 372	711	1 059	-48.96
Total Operational Expenditure	1 845	3 659	2 594	2 136	17.67
Net Operational (Service)	-1 845	-3 659	-2 594	-2 136	17.67

Table 203: Financial Performance: Information and Communication Technology (ICT) Services

5.2.17 PROPERTY MANAGEMENT

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	6 127	910	1 060	7 538	611.09
Expenditure:					
Employees	2 220	2 747	2 733	2 937	-7.45
Repairs and Maintenance	553	420	420	398	5.30
Other	10 436	3 499	3 240	14 704	-353.84
Total Operational Expenditure	13 208	6 666	6 393	18 039	-182.16
Net Operational (Service)	-7 080	-5 756	-5 333	-10 501	-96.90

Table 204: Financial Performance: Property Management

5.2.18 OTHER ADMIN

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1 222	706	802	1 018	-26.93
Expenditure:					
Employees	12 689	14 744	15 057	14 063	6.60
Repairs and Maintenance	508	746	1 011	762	24.63
Other	3 261	8 937	6 255	4 487	28.26
Total Operational Expenditure	16 457	24 427	22 323	19 312	13.49
Net Operational (Service)	-15 235	-23 721	-21 521	-18 294	14.99

Table 205: Financial Performance: Other Admin

5.2.19 OTHER COMMUNITY AND SOCIAL SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1 549	2 367	2 587	1 766	31.74
Expenditure:					
Employees	8 799	10 122	10 367	9 583	7.57
Repairs and Maintenance	646	870	827	585	29.27
Other	5 670	5 890	6 271	5 733	8.58
Total Operational Expenditure	15 116	16 882	17 465	15 901	8.96
Net Operational (Service)	-13 566	-14 515	-14 878	-14 135	5.00

Table 206: Financial Performance: Other Community and Social Services

5.2.20 OTHER HEALTH

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	3	0	0	3	0
Expenditure:					
Employees	374	390	390	702	-80.03
Repairs and Maintenance	7	10	15	14	9.37
Other	373	377	209	194	7.23
Total Operational Expenditure	755	777	614	909	-48.14
Net Operational (Service)	-751	-777	-614	-906	-47.61

Table 207: Financial Performance: Other Health

5.2.21 OTHER

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 596	15	15	15	-3.26
Expenditure:					
Employees	1 442	1 597	1 612	1 643	-1.88
Repairs and Maintenance	8	20	20	2	98.60
Other	3 345	1 054	509	466	8.48
Total Operational Expenditure	4 795	2 671	2 142	2 109	1.52
Net Operational (Service)	-2 199	-2 656	-2 127	-2 094	1.56

Table 208: Financial Performance: Other

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the Grant performance for the 2011/12 financial year:

The Municipality had a total amount of **R 154 121 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2011/12 financial year. The performance in the spending of these grants is summarised as follows:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	67 491	75 619	78 777	82 227	8.04	4.20
Equitable share	59 340	72 201	72 201	72 201	0.00	0.00
Financial Management	1 516	1 250	1 892	2 676	53.29	29.29
Municipal Systems Improvement	398	790	1 227	1 227	35.62	0.00
Expanded Public Works Programme	0	1 378	1 378	933	-47.65	-47.65
Electricity Demand Side Grant	3 654	0.00%	409	3 520	100.00	88.38
Municipal Drought Relief Grant	2 583	0	0	0	0.00	0.00
Infrastructure Skills Development	0	0	0	0	0.00	0.00
Municipal Infrastructure Grant - PMU	0	0	1 670	1 670	100.00	0.00
Provincial Government:	66 952	50 266	84 522	68 176	26.27	-23.98
Financial Management Support	0	0	0	39	100.00	100.00
Housing	63 439	46 858	72 364	65 873	28.87	-9.85
Proclaimed Roads	325	182	182	175	-4.17	-4.17
Local Government Master planning	396	396	396	0	100.00	100.00
Housing Consumer Education	116	0	6	0	0.00	100.00
Community Development Workers	174	130	156	122	-6.83	-28.19
Library Grant	938	1 100	1 320	1 131	2.78	-16.67
Spatial Development Framework	63	0	262	262	100.00	-0.13
Flood Damage - Housing	1 476	1 600	534	515	-210.93	-3.77
Cleanest Town Competition	25	0	95	60	100.00	-57.54
Greenest Town Competition	0	0	60	0	0.00	100.00
Integrated Transport Grant	0	0	9 000	0	0.00	100.00
Swimming Pool – Heather Park	0	0	147	0	0.00	100.00

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
District Municipality:	500	0	0	0	0.00%	0.00%
Storm water Master Planning	500	0	0	0	0.00%	0.00%
Other grant providers:	2 312	2 565	2 565	3 717	31.00%	31.00%
African Skills Village	0	10	10	0	0.00	0.00
DWAF – Working for water	1 788	2 035	2 035	2 199	7.47	7.47
LGSETA	524	520	520	1 292	59.74	59.74
SWD Cricket	0	0	0	29	100.00	100.00
DBSA Storm water Master Planning	0	0	0	197	100.00	100.00
Total Operating Transfers and Grants	137 255	128 450	165 864	154 121	-20.0	7.1

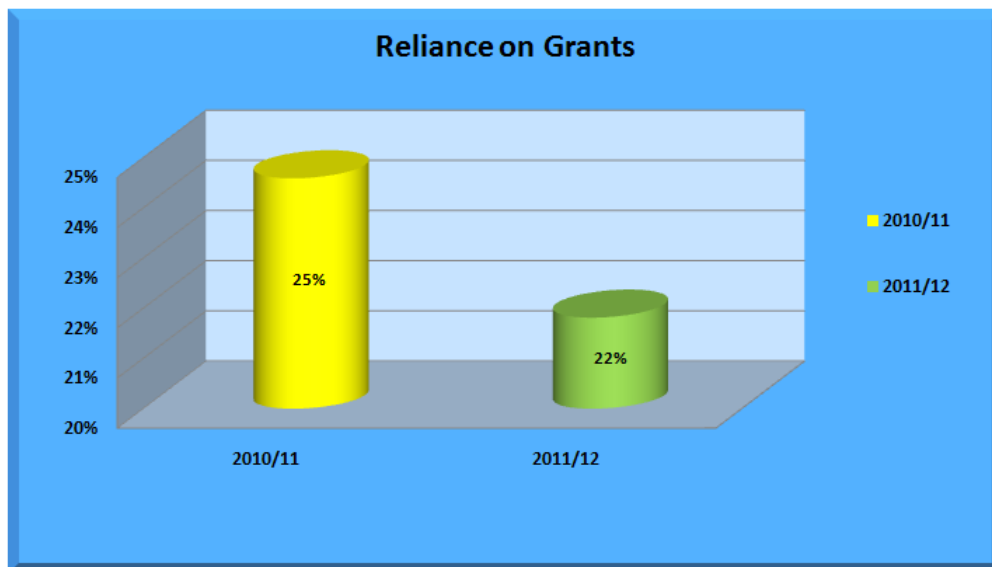
Table 209: Grant Performance for 2011/12

5.3.2 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2010/11	209 307	851 103	25
2011/12	203 529	932 980	22

Table 210: Reliance on grants

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



Graph 16: *Reliance on grants as %*

The reliance on grants and subsidies received from National- and Provincial Governments decreased from 25 % to 22 % which includes capital grant funding.

5.4 ASSET MANAGEMENT

Asset management is practiced within the organisation based on a comprehensive asset management policy. The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Assets) owned or controlled by the municipality to ensure the following:

- implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- verify assets in possession of the Council annually, during the course of the financial year.
- keep a complete and balanced record of all assets in possession of the Council.
- report in writing all asset losses, where applicable, to Council.
- those assets are valued and accounted for in accordance with a statement of GRAP.
- those assets are properly maintained and safeguarded.

The roles of the following are clearly defined within the asset management policy:

- Municipal Manager
- Chief Finance Officer
- Asset control section

- Manager budget section
- Manager Expenditure section
- Procurement section
- All other departments

Asset Management is performed in line with the Asset Management Policy as described above.

The asset Management unit has been capacitated with addition controllers appointed in January 2012. These controllers are mainly involved in the process of asset verification and other day to day asset related functions as required by GRAP17.

A key issue remains the linking of the asset register with the asset management systems in the technical departments for example IMQS. Further communication and planning need to take place between the Finance Department and Technical Departments.

The control and safeguarding of assets remain the responsibility of each department. Each department needs to budget for the necessary maintenance of the assets under their control in order for the assets to achieve their economic life spans.

5.4.1 REPAIRS AND MAINTENANCE

Description	Original Budget	Adjustment Budget	Actual	Budget variance
	R' 000			%
Repairs and Maintenance Expenditure	65 113	56 741	52 814	18.89

Table 211: Repairs & Maintenance Expenditure

Note: the repairs and maintenance expenditure must reconcile with the operational repairs and maintenance expenditure for all services set out in chapter 3.

George municipality has acquired 75% of its Capital assets in the past 5 years. Repairs and maintenance represents 6 % of total expenditure for 2011/12.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

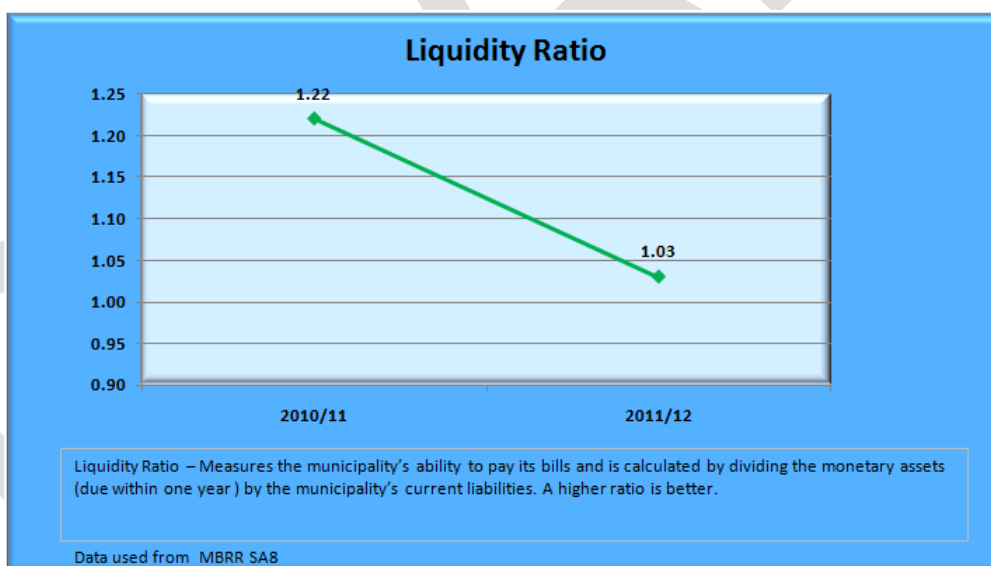
5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	2.79	2.56
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.49	2.21
Liquidity Ratio	Monetary Assets/Current Liabilities	1.22	1.03

Table 212: Liquidity Financial Ratio

George Municipality is still functioning inside the acceptable liquidity norm. The Municipality has a positive liquidity ratio. It decreased from 2011 to 2012. Efforts to increase the debt collection rate must stay the main focus area for improving this ratio. The largest contributor to the increase in the current liabilities is the unspent government grants.

The following graph indicates the liquidity financial ratio for 2011/12:



Graph 17: Liquidity Ratio

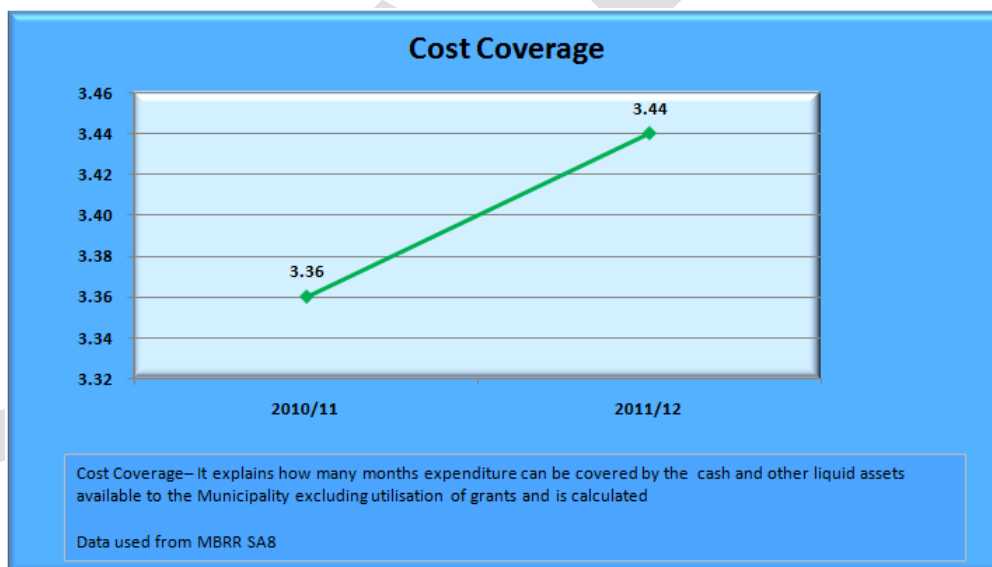
5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.36	3.44
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	14%	13%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	27%	23%

Table 213: Financial Viability National KPAs

5.5.2.1 COST COVERAGE

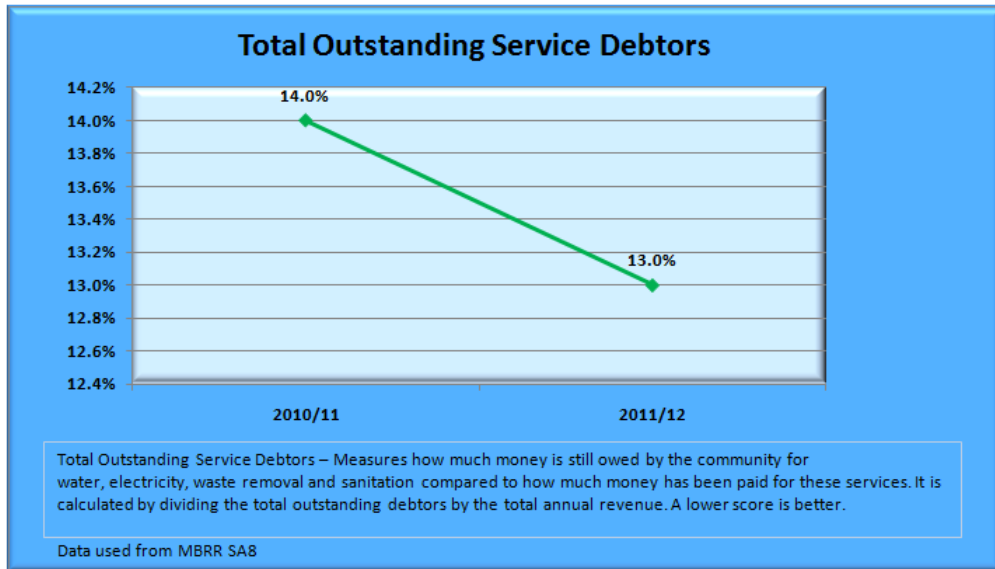
The following graph indicates the cost coverage financial viability indicator:



Graph 18: Cost Coverage

5.5.2.2 OUTSTANDING SERVICE DEBTORS TO REVENUE

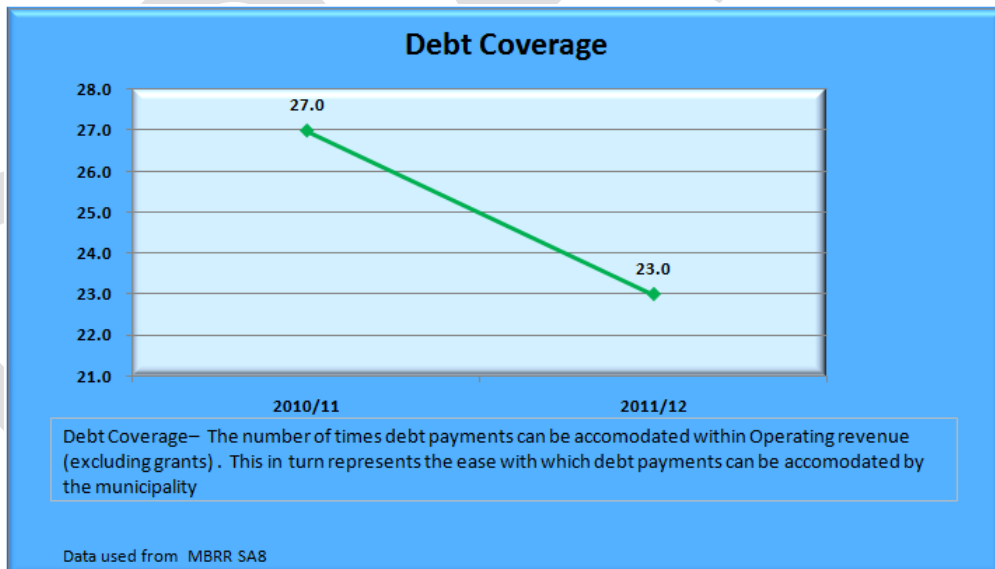
The following graph indicates the outstanding service to revenue financial viability indicator:



Graph 19: *Total Outstanding Service Debtors*

5.5.2.3 DEBT COVERAGE

The following graph indicates the debt coverage financial viability indicator:



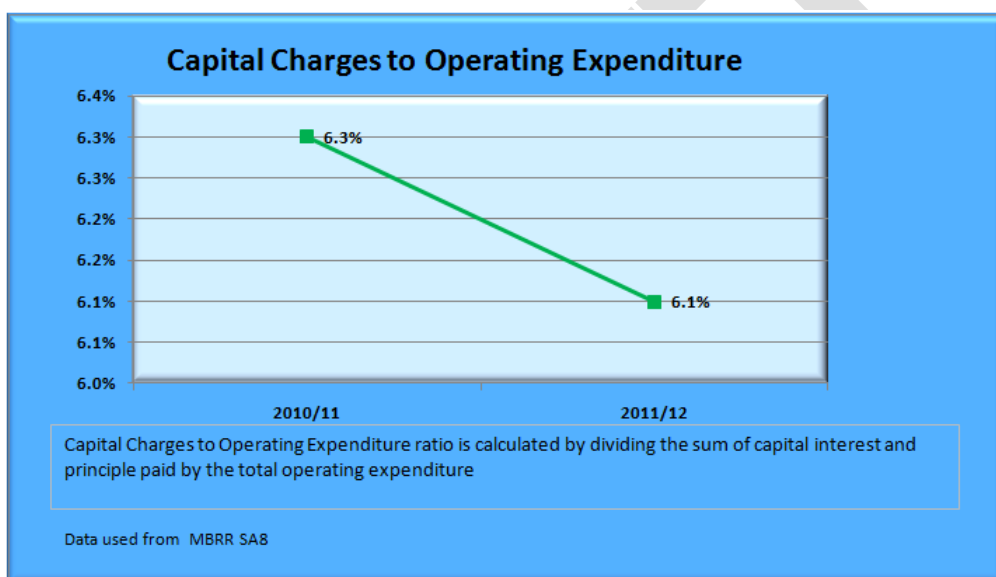
Graph 20: *Debt Coverage*

5.5.3 BORROWING MANAGEMENT

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.3%	6.1%

Table 214: Borrowing Management

The following graph indicates the ratio of capital charges to operating expenditure:



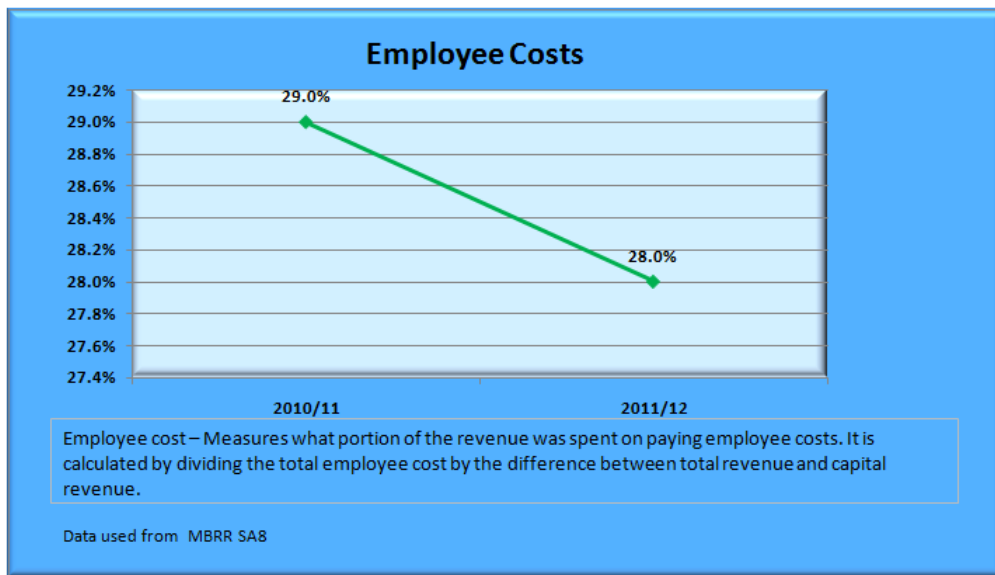
Graph 21: Capital Charges to Operating Expenditure Ratio

5.5.4 EMPLOYEE COSTS

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	29%	28%

Table 215: Employee Costs

The following graph indicates the employee costs ratio:



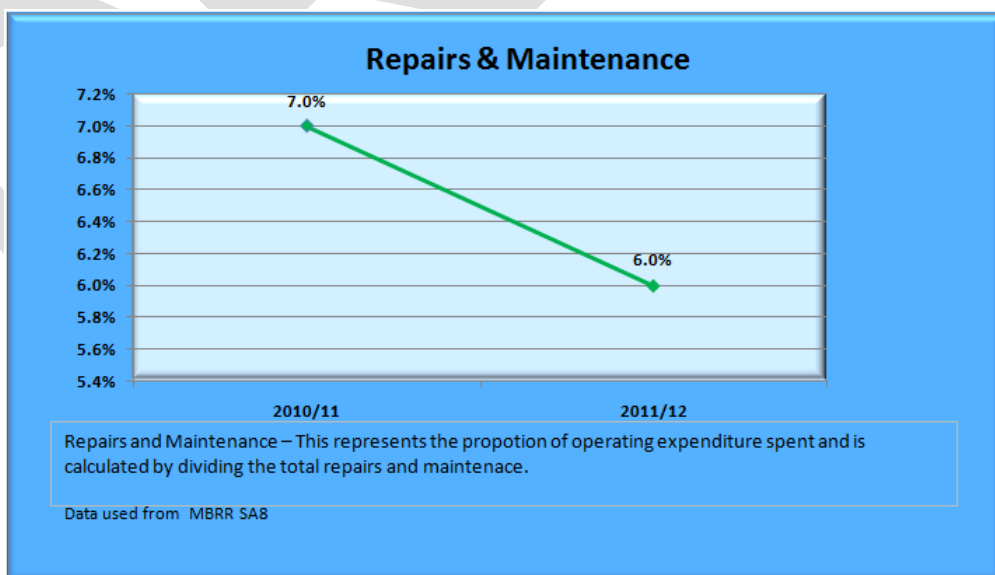
Graph 22: *Employee Costs Ratio*

5.5.5 REPAIRS & MAINTENANCE

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7%	6%

Table 216: *Repairs and Maintenance*

The following graph indicates the ratio of repairs and maintenance:



Graph 23: *Repairs and Maintenance Ratio*

The liquidity ratio has decreased in 2011/12, however, this is still better than the norm of 2. Capital charges to operating expenditure ratio however remained the same at 6 % from 6, 3 % to 6.1% in 2011/12 and within the norm of 10 %. Employee costs decreased from 29 % to 28 % and are within the norm of 30%. An area of concern is the low ratio relating to repairs and maintenance which decreased from 7 % to 6 % and is far less than the norm of 20%.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Introduction to spending against capital budget

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and own funds. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available capital budget and subsequent funding as planned.

5.6 CAPITAL EXPENDITURE

A) CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
Capital expenditure by Asset Class							
Infrastructure - Total	120 452	117 298	88 484	80 663	94 902	78 467	88 132
Infrastructure: Road transport - Total	21 622	3 420	3 420	3 386	21 394	9 762	1 620
<i>Roads, Pavements & Bridges</i>	13 975	2 420	2 420	2 396	20 517	8 410	70
<i>Storm water</i>	7 647	1 000	1 000	990	877	1 352	1 550
Infrastructure: Electricity - Total	50 704	57 649	36 636	34 561	18 829	20 416	20 054
<i>Generation</i>	0	0	0	0	0	0	0
<i>Transmission & Reticulation</i>	45 725	57 199	36 284	34 155	17 569	20 416	20 054
<i>Street Lighting</i>	4 979	450	352	406	1 260	0	0
Infrastructure: Water - Total	35 070	21 316	15 147	17 968	15 264	7 754	22 184
<i>Dams & Reservoirs</i>	5 620	150	150	53	250	2 000	11 250
<i>Water purification</i>	0	0	0	0	0	0	0
<i>Reticulation</i>	29 450	21 166	14 997	17 914	15 014	5 754	10 934
Infrastructure: Sanitation - Total	13 056	28 013	22 282	22 351	28 961	40 536	44 274
<i>Reticulation</i>	6 149	19 781	15 932	15 997	11 236	40 536	44 274
<i>Sewerage purification</i>	6 907	8 232	6 350	6 355	17 725	0	0
Infrastructure: Other - Total	(0)	6 900	11 000	2 397	10 454	0	0

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
Waste Management	0	0	0	0	0	0	0
Transportation	0	6 900	11 000	2 397	10 454	0	0
Gas	0	0	0	0	0	0	0
Other	(0)	0	0	0	0	0	0
Community - Total	9 156	23 210	16 893	4 030	15 990	10 632	27 660
Parks & gardens	0	0	0	0	100	100	100
Sports fields& stadia	481	900	4 373	1 336	0	3 120	3 630
Swimming pools	0	0	0	0	0	0	0
Community halls	1 328	1 890	1 077	1 212	0	0	0
Libraries	65	0	0	0	200	600	8 000
Recreational facilities	527	17 500	9 740	180	12 560	6 182	6 500
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	1 967	890	660	277	280	530	570
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	4 788	2 030	1 043	1 026	2 850	100	8 860
Heritage assets - Total	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Investment properties - Total	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	5 462	5 434	5 993	4 474	18 975	15 376	16 479
General vehicles	1 310	1 500	0	0	3 800	1 690	1 000
Specialised vehicles	0	0	0	0	5 600	0	0
Plant & equipment	2 217	3 000	5 235	3 923	6 868	9 126	8 701
Computers - hardware/equipment	206	360	276	144	879	580	790
Furniture and other office equipment	1 554	489	483	375	628	1 351	1 188

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	30	2 500
Other Buildings	0	85	0	18	0	0	0
Other Land	0	0	0	0	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	176	0	0	14	1 200	2 600	2 300
<u>Agricultural assets</u>	0	0	0	0	0	0	0
<i>List sub-class</i>	0	0	0	0	0	0	0
<u>Biological assets</u>	0	0	0	0	0	0	0
<i>List sub-class</i>	0	0	0	0	0	0	0
<u>Intangibles</u>	0	10	0	0	10	1 510	1 510
Computers - software & programming	0	10	0	0	10	1 510	1 510
Other (<i>list sub-class</i>)	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	135 070	145 952	111 370	89 167	129 877	105 985	133 781
<u>Specialised vehicles</u>	0	0	0	0	5 600	0	0
Refuse	0	0	0	0	5 600	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

Table 217: Capital Expenditure – New Assets Programme

B) CAPITAL EXPENDITURE BY UPGRADE/RENEWAL PROGRAMME

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
Capital expenditure on renewal of existing assets by asset class/sub-class							
Infrastructure - Total	1 539	14 250	20 849	20 231	12 500	38 648	39 148
Infrastructure: Road transport - Total	0	5 000	9 209	8 335	0	27 648	28 148
Roads, Pavements & Bridges	0	5 000	9 209	8 335	0	24 648	28 148
Storm water	0	0	0	0	0	3 000	0
Infrastructure: Electricity - Total	208	1 250	2 400	2 041	6 000	3 500	3 500
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	179	1 250	2 400	2 041	6 000	3 500	3 500
Street Lighting	29	0	0	0	0	0	0
Infrastructure: Water - Total	1 331	4 000	2 000	1 265	4 500	4 500	4 500
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	1 331	4 000	2 000	1 265	4 500	4 500	4 500
Infrastructure: Sanitation - Total	0	4 000	7 240	8 590	2 000	3 000	3 000
Reticulation	0	4 000	4 000	5 357	2 000	3 000	3 000
Sewerage purification	0	-	3 240	3 233	0	0	0
Infrastructure: Other - Total	(0)	0	0	0	0	0	0
Waste Management	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	(0)	0	0	0	0	0	0
Community - Total	17	2 700	1 106	190	7 025	5 075	4 310
Parks & gardens	0	0	0	0	0	100	10
Sports fields & stadia	0	0	0	29	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	0	0	0	175	300	0
Libraries	0	0	0	0	150	0	0
Recreational facilities	0	0	147	147	0	20	20

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	0	0	0	0
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	4 000	4 000	4 000
Other	17	2 700	959	14	2 700	655	280
<u>Heritage assets - Total</u>	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<u>Investment properties - Total</u>	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<u>Other assets</u>	9	10	0	107	1 520	2 200	2 000
General vehicles	0	0	0	0	1 000	2 100	2 000
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	0	0	0	3	20	0	0
Computers - hardware/equipment	9	0	0	17	0	0	0
Furniture and other office equipment	0	0	0	86	0	0	0
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	0	0
Other Buildings	0	0	0	0	0	0	0
Other Land	0	0	0	0	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	0	10	0	0	500	100	0
<u>Agricultural assets</u>	0	0	0	0	0	0	0
<i>List sub-class</i>	0	0	0	0	0	0	0
<u>Biological assets</u>	0	0	0	0	0	0	0

Description	2010/11	2011/12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
R'000							
List sub-class	0	0	0	0	0	0	0
<u>Intangibles</u>	0	0	0	0	0	0	0
Computers - software & programming	0	0	0	0	0	0	0
Other (list sub-class)	0	0	0	0	0	0	0
Total Capital Expenditure on renewal of existing assets	1 565	16 960	21 955	20 528	21 045	45 923	45 458
<u>Specialised vehicles</u>	0	0	0	0	0	0	0
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0
Renewal of Existing Assets as % of total capex	1.1	10.4	16.5	18.7	13.9	30.2	25.4
Renewal of Existing Assets as % of depreciation"	1.7	18.3	21.2	19.8	20.6	48.3	49.9

Table 218: Capital Expenditure – Upgrade/Renewal Programme

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2011/12 financial year:

Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	47 704	53 770	20 326	20 291	-62.20	-62.26
Public contributions and donations	0	0	259	29	0	-88.8
Grants and subsidies	72 168	74 158	66 057	50 035	-10.92	-32.53
Other	16762	34 984	46 683	39 340	33.44	12.45
Total	136 635	162 912	133 325	109 695	-18.16%	-32.67%
Percentage of finance						
External loans	34.9	33.0	15.2	18.5	342.5	190.6
Public contributions and donations	0.0	0.0	0.2	0.0	0	0
Grants and subsidies	52.8	45.5	49.5	45.6	60.2	99.6
Other	12.3	21.5	35.0	35.9	-184.1	-38.1
Capital expenditure						
Water and sanitation	57 468	76 979	58 768	51 660	-23.66	-32.89
Electricity	55 005	58 669	37 859	35 613	-35.47	-39.30
Housing	4 716	2 160	1 183	1 141	-45.23	-47.19
Roads and storm water	14 395	16 850	23 561	14 121	39.83	-16.20
Other	5 049	8 254	11 955	7 160	44.83	-13.25
Total	136 635	162 912	133 325	109 695	-19.70	-148.82
Percentage of expenditure						
Water and sanitation	42.1%	47.3%	44.1%	47.1%	120.1	22.1
Electricity	40.3%	36.0%	28.4%	32.5%	180.1	26.4
Housing	3.5%	1.3%	0.9%	1.0%	229.6	31.7
Roads and storm water	10.5%	10.3%	17.7%	12.9%	-202.2	10.9
Other	3.7%	5.1%	9.0%	6.5%	-227.6	8.9

Table 219: Capital Expenditure by Funding Source

Negative variances for 2011/12 are indicated when the actual of all of the sources of finances are compared to the adjustments budget, mainly as a result of the lower than expected actual capital expenditure. Although roll-over

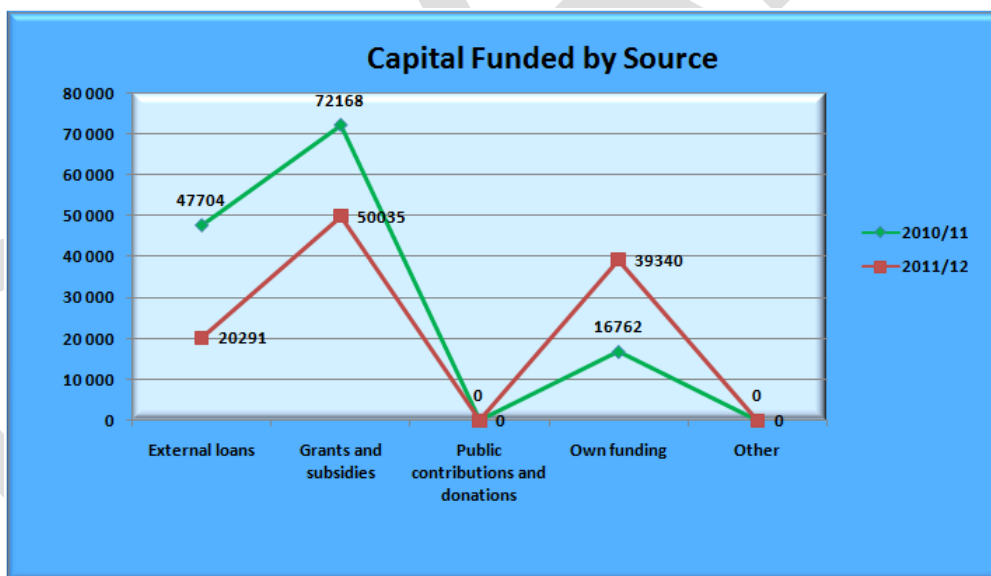
projects emanating from 2011/12 are included in the adjustments budget in respect of 2012/13 for finalisation in that year, the prevention of under spending of capital expenditure in the year budgeted for, should receive urgent and continuous attention. The decline in the economy had a negative impact on the municipality's financial position. Loans that were approved were not taken up and only essential and committed capital projects went ahead.

5.7.1 CAPITAL FUNDED BY SOURCE

Description Source	2010/11	2011/12
	R'000	
External loans	47 704	20 291
Grants and subsidies	72 168	50 035
Public contributions and donations	0	0
Own funding	16 762	39 340
Other	0	0
Total capital expenditure	136 635	109 666

Table 220: *Capital funded by source*

The following graph indicates capital expenditure funded by the various sources



Graph 24: *Capital funded by source*

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2011/12

Name of Project	Current Year: 2011/12			Variance Current Year: 2011/12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Reticulation Schemes Erf 325	18 349	6 324	5 559	-70	-12
Sewerage Network Rehabilitation	4 000	5 200	5 357	34	3
Schaapkop Substation 132/66/11kV	5 000	2 700	2 043	-59	-24
Upgrading Network – Roads and Stormwater	2 000	2 000	1 992	0	0
Water Network Rehabilitation	4 000	1 420	1 265	-68	-11

Table 221: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Reticulation Schemes Erf 325
Objective of Project	Providing electricity to new housing development.
Delays	There were no delays. The project was completed ahead of schedule
Future Challenges	Grant Funding has been procured from DoE for bulk services. The procurement processes have been completed and a contractor has been appointed to install the bulk services. The network is currently fed from a temporary supply.
Anticipated citizen benefits	Local residents are appointed by the contractors and the work is done using labour intensive methods. More than 900 homes received electricity to their homes and street lights in the area.

Table 222: Summary of Project A

Name of Project - B	Sewerage Network Rehabilitation
Objective of Project	Upgrading and Improving of Sewerage Network.
Delays	N/A
Future Challenges	Sufficient funding for rehabilitation in future budgets
Anticipated citizen benefits	Better service delivery and sustainable asset management

Table 223: Summary of Project B

Name of Project - C	Schaapkop Substation 132/66/11kV
Objective of Project	Improving capacity of Network.
Delays	There were a few delays caused by Eskom. The Eskom 132kV supply to the substation was delayed due to some delays that Eskom had in constructing the new 132kV power line to the substation. The municipal project was completed ahead of Eskom and the substation was energised immediately after the completion of the Eskom project. The first phase was completed in time within the budget!
Future Challenges	A second 132/66/11kV transformer will have to be installed at a later date
Anticipated citizen benefits	The entire city and the Southern Cape as a whole will benefit from the project. The main Eskom supply to George and the rest of the Southern Cape is being upgraded by Eskom. The municipal Schaapkop 132/66 kV substation was established because capacity of the main Eskom supply to George was no longer sufficient and had to be upgraded to maintain a firm supply.

Table 224: Summary of Project C

Name of Project - D	Upgrading Network – Roads and Stormwater
Objective of Project	Improving Network regarding Roads and Stormwater.
Delays	N/A
Future Challenges	More funding required for upgrading in problem areas
Anticipated citizen benefits	Better service delivery and sustainable asset management

Table 225: Summary of Project D

Name of Project - E	Water Network Rehabilitation
Objective of Project	Upgrading and Improving of Water Network
Delays	N/A
Future Challenges	Sufficient funding for rehabilitation in future budgets
Anticipated citizen benefits	Better service delivery and sustainable asset management

Table 226: Summary of Project E

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

5.9.1 SERVICE BACKLOGS

Households (HHs)				
Description	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	37088	89.1	4513	10.9
Sanitation	36724	88.3	4877	11.7
Electricity	35307	87.7	4938	12.3
Waste management	49 000	100	0	0
Housing	40 841	63.45	23 526	36.55

Table 227: Service Backlogs

Note: Information as at 30 June 2012

5.9.2 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

The full MIG budget allocation for the 11/12 financial year was **R 36 309 000**. The actual expenditure for the MIG allocation was 100% spend.

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	
Infrastructure –Water					
Raw Water Supply Augmentation	17 500	9 065	12 095	69.1	133.4
Bulk Water Pipeline to Thembaletu	14 945	11 088	13 992	93.6	126.2
Infrastructure – Sanitation					
Bulk Sewer Pipeline to Thembaletu	10 631	10 537	5 980	56.3	56.7
Sewerage purification at Uniondale	8 232	5 570	4 241	51.5	76.1
Total	-	36 309	36 309	-	-

Table 228: Municipal Infrastructure Grant (MIG)

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash and cash equivalents amounting to R 219 million in 2011/12 represent 8.31% of total assets of R 2 635 billion. Apart from Property plant and Equipment, cash represents the second largest item on the municipality's Statement of Financial Position. Furthermore, cash should also be effectively managed in order to be able to meet all commitments timely and should also be safeguarded in order to be available for the cash backed funds and reserves. This illustrates that a very high priority must be afforded to cash flow management.

5.10 CASH FLOW

Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	646 715	754 678	756 474	673 920
Government - operating	138 346	128 450	165 648	164 294
Government - capital	128 307	70 158	68 105	56 490
Interest	19 069	8 306	15 569	18 288
Dividends	0	0	0	0
Payments				
Suppliers and employees	(693 354)	(736 489)	(756 564)	(728 049)
Finance charges	(51 759)	(59 085)	(57 252)	(57 217)
Transfers and Grants	(5 124)	(65 194)	(1 426)	(1 188)
Net cash from/(used) operating activities	182 201	100 824	190 553	126 538
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	965	5 000	5 000	149
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	1 750	511	511	242
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(137 256)	(162 912)	(133 325)	(109 998)
Net cash from/(used) investing activities	(134 541)	(157 401)	(127 814)	(109 607)
Cash flows from financing activities				

Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	65 000	40 000	0	0
Increase (decrease) in consumer deposits	0	899	899	0
Payments				
Repayment of borrowing	(27 045)	(30 819)	(30 819)	(30 526)
NET CASH FROM/(USED) FINANCING ACTIVITIES	37 955	10 080	(29 920)	(30 526)
Net increase/ (decrease) in cash held	85 615	(46 496)	32 820	(13 596)
Cash/cash equivalents at the year begin:	146 881	232 497	232 497	232 497
Cash/cash equivalents at the year-end:	232 497	186 000	265 316	218 901

Table 229: Cash flow

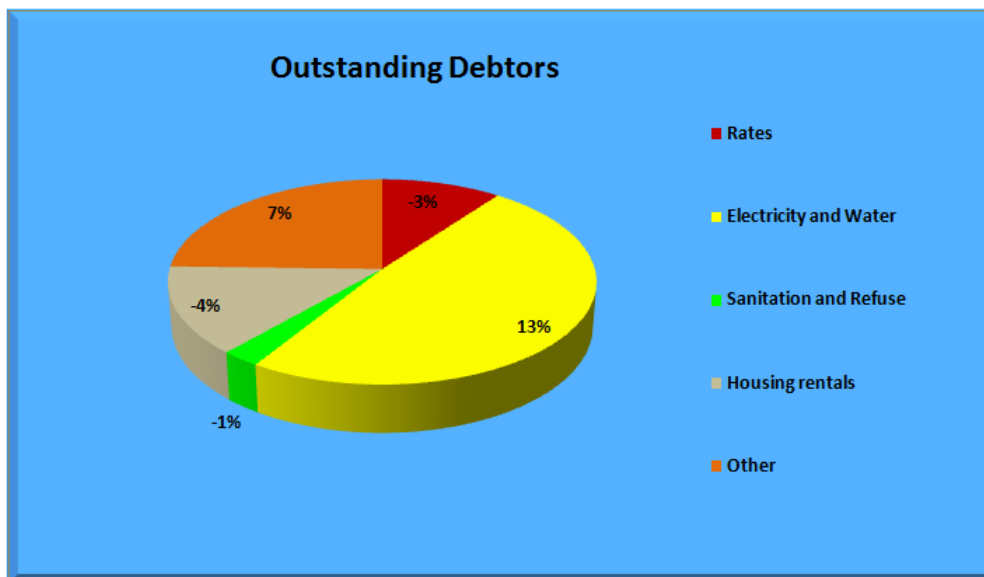
5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2010/11	22 998	53 346	24 241	323	6 226	107 134
2011/12	22 381	61 441	24 072	311	6 670	114 875
Difference	(617)	8 095	(169)	(12)	443	7 740
% growth year on year	-3	13	-1	-4	7	7

Table 230: Gross outstanding debtors per service

Note: Figures exclude provision for bad debt.

The following graph indicates the total outstanding debt per type of service for 2010/11



Graph 25: Debt per type of service

5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2010/11	45 403	3 161	2 482	56 087	107 134
2011/12	47 324	2 810	2 939	61 801	114 875
Difference	1 921	(351)	457	5 713	7 740
% growth year on year	4	-11	18	10.1	7

Table 231: Service debtor age analysis

Note: Figures exclude provision for bad debt

Cash and cash equivalents decreased from R232,4 million in 2010/11 to R218,9 million in 2011/12. This variance was influenced negatively by the increase in debtors of approximately R12,5 million. The 2011/12 result reflected a better than budgeted outcome when compared to the 2011/12 adjustments budget. After taking into account the reserves and funds that must be cash backed, a net surplus of cash of approximately R18million is arrived at.

5.13 BORROWING AND INVESTMENTS

The municipality raised an external loan of R65million in 2010/11, but no external loan was raised during 2011/12. Grants and internal funding were mainly utilised in 2011/12 to finance capital expenditure.

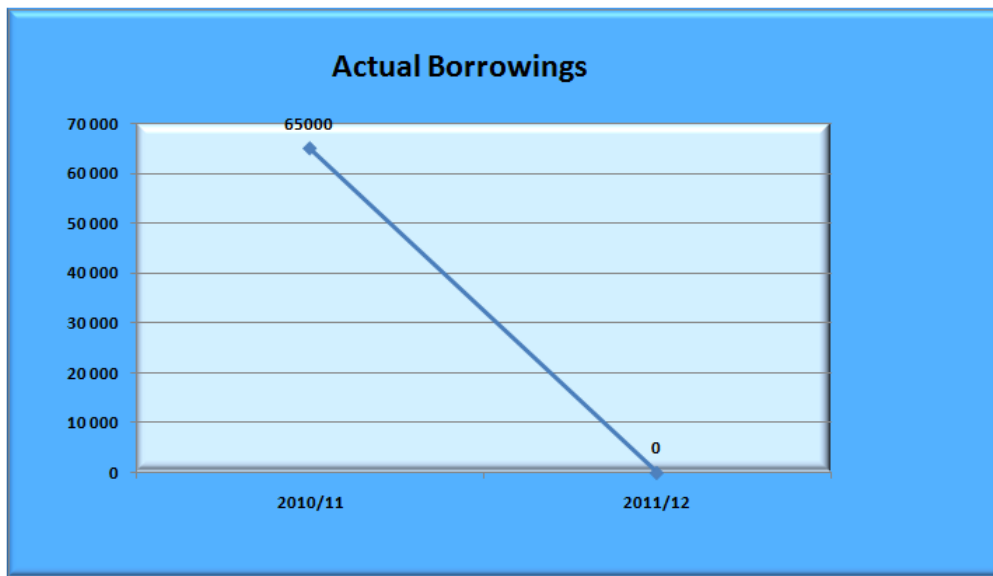
The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements, are invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.13.1 ACTUAL BORROWINGS

Instrument	2010/11	2011/12
	R'000	
Long-Term Loans (annuity/reducing balance)	65 000	0
Long-Term Loans (non-annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non-Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Total	65 000	0

Table 232: Actual Borrowings

The following graph shows the municipal actual borrowings for the past two years:



Graph 26: *Actual Borrowings*

5.13.2 MUNICIPAL INVESTMENTS

Investment type	2010/11	2011/12
	Actual	Actual
	R'000	R'000
Securities - National Government	0	0
Listed Corporate Bonds	0	0
Deposits - Bank	232 477	218 880
Deposits - Public Investment Commissioners	0	0
Deposits - Corporation for Public Deposits	0	0
Bankers Acceptance Certificates	0	0
Negotiable Certificates of Deposit - Banks	0	0
Guaranteed Endowment Policies (sinking)	0	0
Repurchase Agreements - Banks	0	0
Municipal Bonds	0	0
Other	0	0
Total	232 477	218 880

Table 233: *Municipal Investments*

5.13.3 GRANTS MADE BY THE MUNICIPALITY: 2011/12

All Organisation or Person in receipt of Grants provided by the municipality	Value 2011/12 R'000
Bursaries	138
Merit Grants	32
Small Animal Pound	1 018

Table 234: Grants made by municipality

Component D: Other Financial matters

5.14 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was amended and approved by Council in December 2011 to make provision for the new Preferential Procurement Regulations of 2011. Proper delegations are in place for Bid Committees and no councillors are members of any committee as prescribe by the MFMA in Section 117. All Supply chain officials are currently busy with the minimum competency level training and will complete the training in 2013. Most of the matters were addressed that were highlighted in the previous Auditor-General report.

5.15 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognised Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

George Municipality's financial statements and budget are fully GRAP compliant.

Chapter 6: Auditor General Audit Findings

COMPONENT A: AUDITOR-GENERAL OPINION 2010/11

6.1 AUDITOR GENERAL REPORTS 2010/11

Auditor-General Report on Financial Performance 2010/11	
Audit Report Status:	Unqualified with matters
Non-Compliance Issues	Remedial Action Taken
Statements not prepared in terms of Section 122 of the MFMA.	Statements prepared without material corrections.
Unauthorised expenditure in terms of Section 62(1)(d) of the MFMA.	Steps implemented to prevent unauthorised expenditure.
Supply chain management Regulations 13 and 17 matters.	Supply chain management regulation and policy applied.

Table 235: AG Report on Financial Performance 2010/11

Auditor-General Report on Service Delivery Performance: 2010/11	
Audit Report Status:	Auditor-General did not have to express an opinion in 2010/2011

Table 236: AG Report on Service Delivery Performance 2010/11

COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

6.2 AUDITOR GENERAL REPORTS 2011/12

Auditor-General Report on Financial Performance 2011/12*	
Audit Report Status:	Unqualified – Clean Audit

Table 237: AG Report on Financial Performance 2011/12

LIST OF ABBREVIATIONS

AG	Auditor-General
GEO	George Municipality
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000

MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
PPP	Public Private Partnership
MRF	Material Recovery Facilities

ANNEXURE A: FINANCIAL STATEMENTS

DRAFT

ANNEXURE B: REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON GEORGE MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the George Municipality set out on pages 6 to 101, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2009 (Act 12 of 2009) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of George Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 30 June 2012 in the financial statements of the George Municipality at, and for the year ended, 30 June 2011.

Material under spending of the budget

9. As disclosed in note 50, the municipality has materially underspent its budget by R54 779 414 of which R23 659 000 relates to capital expenditure.

Material losses

10. As disclosed in note 3 to the financial statements the municipality wrote off bad debts of R22 154 343 during the current year. These were amounts owed to the municipality which were assessed as no longer recoverable.

Material impairments

11. As disclosed in note 3 to the financial statements, receivables have been significantly impaired. The impairment of receivables amounts to R27 576 229 (24%).

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and

regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 122 to 164 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

16. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

17. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matters below.

Achievement of planned targets

18. Of the total number of planned targets, 460 were achieved during the year under review. This represents 21% of total planned targets that were not achieved during the year under review.

Material adjustments to the annual performance report

19. Material misstatements in the annual performance report were identified during the audit. All these misstatements have been corrected by management.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Investigations

22. A forensic investigation at the traffic department was conducted and charges were laid at the SAPD. A report by Community Safety is to be submitted to council for approval.

Auditor-General

Cape Town

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE

We present our report for the financial year ended 30 June 2012.

RESPONSIBILITY

The George Municipality has constituted its Audit Committee to function in terms of the provisions of Section 166 of the Municipal Finance Management Act, 2003 (MFMA) and to fulfil the functions of a Performance Management Audit Committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

TERMS OF REFERENCE

The Committee is constituted in terms of the requirements of sound corporate governance practices and operates in accordance with a written charter that incorporates the specific requirements of section 166 of the MFMA. The Committee amended the charter to reflect the revised membership composition as approved by the Council. The Municipal Manager has signed the charter as confirmation.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises of four members including three independent members and the Municipal Manager as Accounting Officer of the Municipality. An independent member chairs the committee. Both the internal and external auditors have unrestricted access to the Audit Committee.

The Audit Committee consisted of the following members during the financial year ended 30 June 2012:

1. Mr. J. Stoffels (Independent Member and Chairperson) – re-appointed 1 April 2012
2. Mr. G. Harris – (Independent Member) appointed 1 April 2012
3. Ms. B. Bam – (Independent Member) reappointed 1 April 2012
4. Mr. A. Dippenaar – (Independent Member) appointed 1 April 2012

ACTIVITIES

The Audit Committee met 7 times during the financial year ended 30 June 2012 and has carried out the following functions in terms of its charter:

1. Reviewed and amended the Audit Committee charter.
2. Reviewed and approved the rolling and annual internal audit plans including the definition of
3. Audit units, audit universe, and prioritisation of audit coverage taking into account the outputs of the risk assessments performed.
4. Reviewed executive summaries of all internal audit reports issued.
5. Reviewed the reporting by internal audit on performance management and performance information.
6. Issued reports and recommendations to Council on performance management and performance information.
7. Reviewed the annual financial statements at 30 June 2012, the Report of the Auditor-General (hereinafter referred to as the A-G) on the annual financial statements and the findings of the A-G on predetermined objectives and compliance with certain laws and regulations, and their detailed management letter.
8. Attended internal audit steering committee meetings.
9. Performed assessments on the effectiveness of the Committee for review and comment by the Municipal Manager and for presentation to the Council.
10. Attended various meetings of the Council, Mayoral Committee, Bid Adjudication Committee and other Committees of Council.
11. Reported to Council after each formal meeting on key matters covered and made related recommendations.
12. The Chairperson served on the panel responsible for the performance appraisals of Section 57 appointees.
13. The Chairperson met separately with the Executive Mayor and the Municipal Manager to discuss matters of mutual concern.
14. Made specific recommendations with regard to the future state of the Internal Audit function.
15. Considered other matters as deemed appropriate.

2011/2012 AUDITING PROCESS

The external auditing process started at a much earlier stage than previous financial years, with the personnel of the Auditor-General (A-G) getting on site during the first days of July 2012.

During this period, frequent meetings were held between management and the staff of the Auditor - General in order to manage the process.

An intensive process of managing the Requests for Information (RFI) and the Communication of Audit Findings (COMAFS) was agreed upon and implemented diligently.

The Manager: Internal Audit was tasked with quality assurance of this very complex process. Consistent feedback was provided to the Audit Committee regarding the progress of the process.

AUDITING OF PRE-DETERMINED OBJECTIVES (PDO's)

Performance Management

During the auditing process of PDO's, it was identified by the Auditor-General that the Annual Performance Report (APR) submitted to Council in terms of section 46 of the Municipal Systems Act (MSA) at the end of August 2012 contained various shortcomings, inter alia:

1. Incorrect measuring units – in most instances the calculation type utilised in the IGNITE PMS system were incorrectly reported on;
2. As per section 46 of the MSA, a comparison had to be made with the results of the previous financial year and since the municipality changed from PMS Systems during the 2011/2012 financial year, this comparison was problematic; and
3. Corrective measures/actions where targets were not achieved had to be included in the APR.

All the above mentioned matters were corrected by management.

FINDINGS AND RECOMMENDATIONS

Annual financial statements

We have taken note of the report of the A-G for the financial year ended 30 June 2012.

This report comprises of the following:

- (a) The Report on the Financial Statements ;
- (b) The Report on Other Legal and Regulatory Requirements ;
- (c) The Report on Internal Control ;
- (d) Other Reports.

The Committee notes with satisfaction the clean audit opinion expressed by the A-G and the responses of both Management and Council to the report. We regard this as an outstanding achievement, given the fact that the George Municipality is one of only 5 municipalities in the Western Cape which received clean audit reports for the 2012 financial year. Management has adopted a more structured approach to responding to the AG audit process, and provided the necessary information and feedback on audit queries raised as quickly as possible. The quality of information has also been subject to review prior to submission to the AG.

Internal Audit

The appointment of the Manager: Internal Audit has contributed significantly to our achievement of a clean audit. We want to commend Council for taking this bold step, and trust that this section will be allocated more resources in future.

The committee supports the Council's long term strategy to develop the internal audit section into an in-house resource centre supported as necessary through a co-sourced relationship with professional internal audit service providers.

It is imperative that Internal Audit and the Audit Committee must, as recommended by the Auditor-General in the Final Management Letter, allocate more time and resources in 2012/2013 to the abovementioned matters.

Performance Management

- The Committee unequivocally endorses the priority implementation of all recommendations made by the Internal and External Auditors.
- Increased investment in time and financial and human resources are required to implement the recommendations suggested by this Committee, and Internal Audit, so that the system may continue to mature and the individual employees of the Municipality benefit from its introduction.
- The new Ignite system purchased by the municipality is still not being utilised to its full capacity, and more time and resources should be allocated to this important management tool.
- The manners in which performance reviews are conducted have been improved considerably, but there are still challenges in this regard. Issues like targets, KPA's and KPI's should be re-visited with a view to strengthening the integrity of the process.
- We also note with concern that the performance reviews of the Section 57 appointees have not been completed.
- Performance management and measurement should be extended to include all levels of staff.

Corporate Governance

In terms of leading practices, risk assessment and risk management functions should ideally be performed through a separate Risk Committee and a Risk Department with a Chief Risk Officer (CRO) heading the risk management function. However due to lack of capacity within the municipality, the Audit Committee as well as Internal Audit facilitate and provide guidance on risk related issues. This is consistent with practices adopted in many other public and private sector institutions with similar capacity constraints and the current practice is consistent with subject matter guidance issued by the Institute of Internal Auditors Research Foundation and in the Public Sector Risk Management Framework issued by National Treasury. A detailed report has been issued by Internal Audit in this regard.

In the absence of a separate Risk Management Committee the Audit Committee has amended its charter to include the functions of a Risk Management Committee.

The committee has considered King III guidance and applicable legislation with regard to audit committees and internal audit and have updated its charter as considered necessary. Further amendments to the charter will be considered, informed by guidance recently issued by National Treasury in MFMA Circular 65: Internal Audit and Audit Committee.

Extracts of Provincial Government's "Status Report and Service Delivery Enhancement Plan" were provided to the Audit Committee.

Risk Management

Internal audit has issued a number of reports covering risk management including amongst others Quarterly Risk Reporting by Departments, Risk Assessment update, Review of risk treatment plans, Reporting to Council, Top Risks Update .

The Audit Committee has noted and endorsed the recommendations made with regard to measures necessary to institutionalise and improve risk management.

The Committee records its concerns regarding the following matters highlighted in these reports:

- a) The need for ongoing monitoring and management of identified risks in a more rigorous and structured manner to reduce risks of financial loss and reputational damage to the Municipality; and
- b) The potential impact of risks highlighted that are associated with lack of skills and funding.

The audit committee will focus increased attention on risk management in the year ahead in terms of its charter.

Appointments and Committee Membership

The Municipality appointed a new Municipal Manager in November 2011. We are happy to report that the relationship between the Committee and newly appointed Municipal Manager has been productive, and has provided better liaison with Council.

The municipality also appointed a new Chief Financial Officer. The Committee trusts that this appointment will serve to provide leadership, knowledge and stability in the Financial Services Directorate which has operated without a Chief Financial Officer for some years now. The Committee looks forward to a productive relationship with the new appointee.

One of our longstanding committee members, Mrs. B. Bam, resigned from her position on Council is currently head-hunting for a suitable replacement.

Investigations

We still experienced difficulty in gaining access to confidential information regarding issues related to litigation, suspensions and SIU investigations.

We regard this as a very unhealthy situation which goes against the letter and spirit of Sect. 166 of the MFMA, and hope that management and Council will strive for better communication in this regard.

CONCLUSION

Having received a clean audit report from the Auditor-General in 2012 has been a remarkable achievement, and the challenge for 2013 and beyond will now be to maintain this level of achievement.

Specific efforts will be required for the Municipality not to regress after having received a clean audit for the year to 30 June 2012.

Processes that worked well for the 2012 year-end external audit should be maintained and enhanced if necessary for future years.

To this end, we would like to recommend that Council and Management pay particular attention to the following:

1. The development of short term financial and operational strategies to mitigate the severe impact of current economic conditions.
2. The development of medium to long term financial and operational strategies to address the deteriorating financial position.
3. Ongoing focus on effective execution of core functions and service delivery, particularly with regard to the needs and expectations of local communities. This is especially relevant in the light of heightened tensions across the country regarding service delivery levels by Local Government generally.
4. Improvement of the accuracy of in-year financial and performance reporting and the effectiveness of related monitoring processes.
5. Greater effort must be focused on relevance and validity of reporting against predetermined objectives.
6. The continuation of efforts to implement cost effective measures to improve the control environment given financial and human resource constraints. This includes implementation of specific recommendations made by both internal and external audit.
7. Increased focus on measures to identify access and manage significant risks to which the Municipality is exposed.

Finally, the Committee extends its congratulations to Council, Management and Service Providers for their efforts and achievements under difficult circumstances.

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JOE STOFFELS – CHAIRPERSON

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G. HARRIS

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A. DIPPENAAR

12 January 2013

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